



# SAN ANTONIO WATER COMPANY

## BOARD OF DIRECTORS MEETING

Tuesday, February 20, 2018

5:00 p.m.

In the Upland City Hall Council Chambers

- Call to Order
- Salute to the Flag

1. Recognitions and Presentations:

2. Additions-Deletions to the Agenda:

3. Shareholder-Public Testimony:

This is the time for any shareholder or member of the public to address the board members on any topic under the jurisdiction of the Company, which is on or not on the agenda. Please note, pursuant to the Brown Act the board is prohibited from taking actions on items not listed on the agenda. For any testimony, speakers are requested to keep their comments to no more than four (4) minutes, including the use of any visual aids, and to do so in a focused and orderly manner. Anyone wishing to speak is requested to voluntarily fill out and submit a speaker's form to the manager prior to speaking.

4. Consent Calendar Items:

All items listed hereunder are considered to be routine and there will be no separate discussion of these items unless members of the board request specific items to be removed from the consent calendar for separate action. All items listed or remaining will be voted upon in a single action.

- A. Approval of Board Meeting Minutes  
Regular Meeting Minutes of January 16, 2018
- B. Planning, Resources, and Operations Committee (PROC) Meeting Minutes  
Meeting Minutes of November 28, 2017.
- C. Administration and Finance Committee (AFC) Meeting Minutes  
No Meeting Minutes to report.
- D. Financial Statement  
Income Statement and Balance Sheet for December 31, 2017 and year-to-date.
- E. Investment Activity Report  
Monthly Report of Investments Activity
- F. Water Production  
Bi-Monthly water production [Jan/Feb, Mar/Apr, May/June, July/Aug, Sept/Oct, Nov/Dec.]
- G. Prominent Issues Update  
Status summaries on certain on-going active issues.
- H. Projects and Operations Update  
Status summaries on projects and operations matters.
- I. Groundwater Level patterns [Quarterly in January, April, July, and October]  
Tracking patterns of groundwater elevations relative to ground surface.
- J. Correspondence of Interest
  - LAFCO – Resolution adopting sphere of influence designation for MWD and coterminous with IEUA

5. Board Committee – Delegate Report:

A. PVPA Representative’s Report

Verbal report on activities at the Pomona Valley Protective Association that have an impact on the Company.

B. Six Basins Representative Report

Verbal report on activities at the Six Basins Watermaster that have an impact on the Company.

C. Chino Basin Representative Report

Verbal report on activities at the Chino Basin Watermaster that have an impact on the Company.

D. Cucamonga Basin Representative Report

Verbal report on activities at Cucamonga Basin that have an impact on the Company.

E. Administration and Finance Committee (AFC) Chairman’s Report

No meeting to report

F. Planning, Resources, and Operations Committee (PROC) Chairman’s Report

Report on meeting January 23, 2018.

G. Office Feasibility Study Ad Hoc Committee

No meeting to report.

6. General Manager’s Report on Activities

A. Chino Basin Water Conservation District – Groundwater Replenishment Project

Report on proposed recharge facility

B. American Leak Detection (ALD)

Proposal for Flo Monitoring Device pilot program and leak detection/repair program

C. Entitlement Transfer

Remaining CY2017 entity entitlement transfer pursuant to Water Service Agreements

D. Personnel – Accounting Specialist Position

Verbal update on employee recruitment

E. SBCTA I-10 Corridor Project

Approve Utility Agreement

F. Executive Recruitment

Recommend options for GM replacement

G. Project Status Report

Verbal report

7. Closed Session:

Update on Water Rights Issue – Legal Complaint filed in Mt. Baldy (§54956.9 (c))

8. Director’s Comments and Future Agenda Items:

Adjournment:

*The next regular Board Meeting will be held on Tuesday, March 20, 2018.*

**NOTE:** All agenda report items and back-up materials are available for review and/or acquisition at the Company Office (139 No. Euclid Avenue, Upland, CA.) during regular office hours, Monday through Friday [7:30 am – 11:30 am & 12:30 pm – 4:30 pm]. The agenda is also available for review and copying at the Upland Public Library located at 450 No. Euclid Avenue.

**POSTING STATEMENT:** On February 14, 2018 a true and correct copy of this agenda was posted at the entry of the Company Office (139 No. Euclid Avenue), on the public bulletin board at 450 No. Euclid Avenue (Upland Public Library) and on the Company Web Site.

**SAN ANTONIO WATER COMPANY**  
**MINUTES OF THE SAN ANTONIO WATER COMPANY**  
**Tuesday, January 16, 2018**

An open meeting of the Board of Directors of the San Antonio Water Company (SAWCo) was called to order at 5:01 p.m. on the above date at the Upland City Hall Council Chambers, 460 North Euclid Avenue, Upland, California. Directors present were Tom Thomas, Will Elliott, John Gerardi, Bob Cable, Jose Sanchez, and Gino Filippi. Also in attendance were SAWCo's General Manager Charles Moorrees, Assistant General Manager Teri Layton, and Senior Administrative Specialist Kelly Mitchell. Director Thomas presided.

- Salute to the Flag
- 1. Recognitions and Presentations: None.
- 2. Additions-Deletions to the Agenda: None.
- 3. Shareholder-Public Testimony: None.
- 4. Consent Calendar Items:
  - A. Approval of Board Meeting Minutes  
Regular Meeting Minutes of December 19, 2017.
  - B. Planning, Resources and Operations Committee (PRO) Meeting Minutes  
No meeting minutes to report.
  - C. Administration and Finance committee (AFC) Meeting Minutes  
No meeting minutes.
  - D. Financial Statement  
Comparative Income Statement and Balance Sheet for November 30, 2017 and year-to-date.
  - E. Investment Activity Report  
Monthly Report of Investments Activity
  - F. Water Production  
Bi-Monthly water production [Jan/Feb, Mar/Apr, May/June, July/Aug, Sept/Oct, Nov/Dec]
  - G. Prominent Issues Update  
Status summaries on certain on-going active issues.
  - H. Projects and Operations Update  
Status summaries on projects and operations matters.
  - I. Groundwater Level patterns [Quarterly in January, April, July, and October]  
Tracking patterns of groundwater elevations relative to ground surface.
  - J. Correspondence of Interest
    - Letter response to Public Records Act Request regarding Cucamonga Basin 6
    - Letter to the State Water Resources Control Board Department of Drinking Water regarding Well 31 Biological Treatment Pilot Plant final certification

Director Gerardi moved and Director Elliott seconded to approve the Consent Calendar as presented. Motion carried.

- 5. Board Committee – Delegate Report:
  - A. **Pomona Valley Protective Association (PVPA) Representative's Report** – Director Thomas reported on the most recent PVPA meeting. West End Consolidated Water Company (WECWC) has contracted with a company to have the retention basins below San Antonio Dam cleaned-up with work scheduled to begin before the end of the month. There was some concern as to whether or not PVPA could retain 501(c)(3) nonprofit status and while contributing to projects and helping reduce the amount of the annual assessment in Six Basins. PVPA's attorney had determined it was okay to contribute as long as PVPA can show that the contribution went to projects that benefited the entire water community. As such, PVPA's attorney drafted an agreement outlining what the contributed money is being used for.

- B. Six Basins Representative Report** – No meeting was held in December and the January meeting is scheduled for the following week.
- C. Chino Basin Representative Report** – Ms. Layton reported staff attended a special confidential meeting of the Appropriative Pool on December 20<sup>th</sup>. The six parties that have been meeting regarding the court's decision and the anticipated appeal are: CVWD, City of Pomona, MVWD, Jurupa Community Services District, City of Chino, and the City of Ontario. At the meeting a term sheet that has been reached between the parties was distributed. They are attempting to reach out to the other parties now; SAWCo, Fontana Water Company, the City of Upland, etc.

Staff has reviewed the terms sheet and has spoken with their legal counsel and other entities. At the recent Appropriative Pool meeting on January 11<sup>th</sup> in closed session, it was decided to release the term sheet to the legal counsels for the Agriculture Pool and the Non-Agriculture Pool to get their responses by January 31<sup>st</sup>. The Appropriative Pool also wanted feedback from the other appropriators who were not part of the original six parties.

SAWCo's legal counsel indicated everything is too vague at the moment and one cannot say with certainty what the agreements are or what is the likely outcome. He suggests the Board wait to see if anything is approved until SAWCo sees the final agreement. Ms. Layton has been following legal counsel's advice up to the time being and will continue to do so unless directed otherwise by the Board. The City of Upland will be discussing this item in closed session on January 22<sup>nd</sup>. Legal counsel advised the six parties are estimating 10 months for a conclusion on this manner.

Director Thomas inquired whether or not the proposed agreement is still being considered confidential. Ms. Layton replied it is still confidential, however, it was released to each member's legal counsel.

Ms. Layton also reported that during the Chino Basin Appropriate Pool meeting held January 11<sup>th</sup> the annual elections were held. Ms. Layton was elected as the Chair of the Pool and Mr. Van Jew with MVWD was elected Vice-Chair. Minor Representatives elected to the Advisory Pool were SAWCo and Monte Vista Irrigation Water Company and the Advisory Vice-Chair was Todd Corbin with JCSD. Eunice Ulloa from the City of Chino was elected to the Watermaster Board with Tom Haughey as alternate. Minor Representatives were Gino Filippi with SAWCo and Manny Martinez with MVWD as the alternate.

Storage Management workshops are continuing with the next workshop scheduled for January 31<sup>st</sup>. The Recharge Management Project Update will begin in February. CBWM is losing some monitoring wells due to land development. Wildermuth Environmental, Inc. is working out a possible plan for future monitoring wells. The court hearing regarding staying the Judgment was extended from February 2, 2018 to September 14, 2018 at 1:30 p.m.

Mr. Moorrees spoke briefly about Cucamonga Basin judgment. The draft modernization of the judgment has been presented to WECWC, CVWD and SAWCo staff. It was reviewed and comments were sent to special counsel, Fred Fudacz. The parties will be meeting the following day to discuss how to move forward.

- D. Administration and Finance Committee (AFC) Chairman's Report** – No meeting to report.
- E. Planning, Resources, and Operations Committee (PROC) Chairman's Report** – No meeting to report.
- F. Office Feasibility Study Ad Hoc Committee** – No meeting to report.

6. General Manager's Report on Activities:

**A. Annual Shareholder's Meeting** – Director Thomas commented on the fact that SAWCo has had the same trusted Inspectors of Election; Donna Hawthorne, Peter Cherback, and Betty Garrison, for many years.

Director Sanchez moved and Director Cable seconded to recommend the Board reappoint the same Inspectors of Election from the previous Annual Meeting. Motion carried.

**B. Conservation Programs Update** – Mr. Moorrees stated he will be bringing a proposal to the PROC from American Leak Detection. The current leak detection program SAWCo offers has not been very successful. SAWCo is looking to partner with a reputable leak detection company to better serve its shareholders. Mr. Moorrees will also be presenting to the Committee an opportunity to participate in a pilot program with the same company.

**C. Personnel – Employee Departure** – Mr. Moorrees announced the resignation of the Accounting and Personnel Specialist, Joni Ruggles due to health reasons. Ms. Ruggles' last day of employment will be February 16, 2018. Management is working with the personnel attorney to explore the possibility of an agreement with Ms. Ruggles, if necessary, to allow extra time for a smooth exit. Staff has begun the recruiting process for her position with a closing date of February 8, 2018. The position is expected to be filled by mid to late March. A farewell luncheon will be scheduled.

**D. Calmat Water Transfer Request** – Mr. Moorrees explained that SAWCo received a request last year to transfer water from Chino Basin to Calmat. The potential transfer caused a question of validity since Calmat was not an Appropriative Pool member. Mr. Moorrees withdrew his original transfer of 4.375 acre feet (AF) to Calmat since they were not eligible. Calmat has since intervened in the Appropriative Pool and the court backed the decision on December 15, 2017.

During the December Board meeting Mr. Bowcock, representing Calmat, requested the Board consider the 4.375 AF for 2017. Mr. Moorrees was going to take the item to the PROC but felt there was no controversy in executing a onetime water transfer.

Director Sanchez clarified that this transfer was solely for 2017 entitlement.

Director Elliott moved and Director Gerardi seconded to approve the onetime transfer of 4.375 AF of water to Calmat from SAWCo's Chino Basin storage account. Motion carried.

**E. Project Status Report –**

- **Cucamonga Basin - Desilting Project at Crosswalls** - Mr. Moorrees advised the Board he was promised a Nationwide permit from the Army Corps of Engineers by the end of 2017 but has yet to receive one. This is the only regulatory permit for this project that SAWCo is waiting on.
- **Basin 6 Desilting** – The Regional Water Quality Control Board (RWQCB) rejected SAWCo's permit without prejudice. The reason it was rejected is because when the environmental document was sent out for 30 day review period they failed to include the tribal consultation and was not presented to RWQCB within their statutory limitations. This has been corrected and the documents have been recirculated for review. The review period ends January 22<sup>nd</sup> after which the document will be taken to the Board of Supervisors for approval. It will then be given to the environmental regulatory agencies for approval. This project should take only a couple of days to complete.
- **Water Rights Investigation** – Activity – meeting with Fred Fudacz tomorrow regarding moving forward with the water rights investigation. SAWCo hasn't received word from the lobbyist in Sacramento with regard to getting a meeting with the State Board.

7. Closed Session: None.

8. Director's Comments and Future Agenda Items: None.

Adjournment: Seeing no further business, the meeting was adjourned at 5:21 p.m.

The next Board Meeting will be held on Tuesday, February 20, 2018 at 5:00 p.m.

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Assistant Secretary  
Charles Moorrees

MINUTES OF THE SAN ANTONIO WATER COMPANY  
 PLANNING, RESOURCES, and OPERATIONS COMMITTEE  
 November 28, 2017

An open meeting of the Planning, Resources, and Operations Committee (PROC) of the San Antonio Water Company (SAWCo) was called to order at 3:01 p.m. on the above date at the company office located at 139 N. Euclid Avenue, Upland, California. Committee members present were Will Elliott, John Gerardi, Jose Sanchez and Tom Thomas. Also in attendance were SAWCo's General Manager Charles Moorrees, Assistant General Manager Teri Layton, Accounting and Personnel Specialist Joni Ruggles and Senior Administrative Specialist Kelly Mitchell. Mr. Elliott presided.

1. Recognitions and Presentations – Mr. Moorrees advised JLR Insurance will be making a presentation on Agenda Item 5A once they arrive.
2. Additions-Deletions to the Agenda – Mr. Moorrees advised of the meeting date change for November 2018. The final meeting calendar for 2018 will be placed on the Board Budget Workshop agenda for approval.
3. Public Comments – None.
4. Approval of Committee Meeting Minutes:
  - A. *Regular Committee Minutes of September 26, 2017* – Mr. Gerardi moved and Mr. Sanchez seconded to approve the meeting minutes of September 26, 2017. Motion carried.
5. Planning and Operational Issues:
  - B. *Policy Guidelines for Water Service Agreements* – Mr. Moorrees explained the reasoning behind offering Water Service Agreements (WSA) to municipalities. The main reason being they were not receiving their full entitlement by the end of the year but going over their entitlement monthly.

Calmat recently requested SAWCo transfer water to them in Chino Basin. Staff was unaware of their inability to do so since Calmat is not an appropriator in the basin. Calmat has requested to intervene in the basin as an appropriator in order to utilize the water. The request to intervene will go to the Court on December 15<sup>th</sup> for approval. Since then Bob Bowcock, a representative for Calmat, has requested a WSA with SAWCo.

Jason Reichert and Melissa Calabretta with JLR Insurance entered the meeting at 3:06 p.m.

- A. *Employee Benefit Plan Renewal* – Ms. Calabretta distributed copies of information regarding SAWCo renewing health, dental, vision and life insurance with their current providers. In addition to the health insurance renewal information for the grandfathered Health Net plan, figures were shown for some Affordable Care Act (ACA) plans with Blue Shield, Aetna, Anthem, United Health Care and Health Net that were somewhat comparable. Ms. Calabretta then explained some of the differences between ACA compliant plans and SAWCo's

grandfathered Health Net plan. Blue Shield, specifically, offered a plan that would save the company a considerable amount of money per month.

Mr. Reichert expressed some concern as it is believed that Blue Shield is lowering their costs to encourage enrollment so that they can sell the company at a higher price. If this is done, enrollment costs will certainly increase a great deal the following year and if SAWCo leaves their grandfathered plan to enter the ACA market they cannot go back.

Ms. Calabretta advised the Committee that the average increase for insurance renewal for SAWCo is at less than 10% which is stable. The ACA market renewal rates are not stable. The recommendation from JLR Insurance was to renew all benefits plans for another year.

Ms. Calabretta will put together a cost comparison for the grandfathered Health Net plan and Blue Shield to be included in the agenda of the upcoming Board Budget Workshop.

Ms. Calabretta handed out information on SB562 for single payer-healthcare in California.

Ms. Calabretta informed the Committee that carriers in previous years received a federal subsidy for participating in the ACA market. At the time healthcare carriers had to submit their costs for 2018 the president removed the federal subsidy. The carriers submitted their costs which included these subsidies. It is thought that the 2019 costs for ACA healthcare plans will be much higher.

Ms. Calabretta and Mr. Reichert exited the meeting at 3:52 p.m.

- B. Policy Guidelines for Water Service Agreements (continued)** – Mr. Moorrees recommended SAWCo continue with the current WSA's, developing them with minor shareholders would become more problematic administratively. The original intention for the WSA was to provide full delivery of entitlement each year; they are not needed to provide a onetime transfer of water.

Members of the Committee felt adding 'wholesale' into the current WSA's may better clarify the intention of the agreements.

Mr. Moorrees stated he would bring the policy to the PROC in January.

- C. Cucamonga Crosswalls** – Mr. Moorrees stated that in talking to the Army Corps of Engineers he was told they will try and issue the permit before the end of the year. He also spoken with Kevin Blakeslee to rectify the issue with the San Bernardino County Flood Control District (SBCFCD) retracting the waiver of the extraction fee as it was perceived to be a gift of public funds.

Mr. Thomas inquired whether or not SAWCo removing its requirement that the contractor reimburse them for their expenses on the project to date would SBCFCD waive the extraction fee. Mr. Moorrees replied yes.



Director Sanchez moved and Director Gerardi seconded to approve removing the requirement that the contractor reimburse SAWCo for their expenses on the project to date to allow for the SBCFCD to reinstate the waiver of extraction fee. Motion carried.

- D. 2016 Water Master Plan** – The Committee expressed their approval of the plan. Mr. Thomas inquired about the combining of facilities at 17<sup>th</sup> Street and Benson Avenue being left out of the plan. Mr. Moorrees stated it was agreed that would be left out.

Ms. Layton brought attention to page 3-8 where the total for water supply was incorrect. That data will be corrected in the final plan. Mr. Thomas suggested listing all corrections needed on one page, have the Committee approve it and then send it to the consultant. Staff will put the correction page together for approval.

- E. Water Supply Projection** – Mr. Moorrees explained that although staff projects water supply for CY2017 to be 15,738 acre feet (AF) they are recommending an increase in entitlement for CY2018 to 13,000AF. A smaller increase in entitlement is being recommended due to numerous factors such as a La Nina forecasted for CY2018, production in Six Basins has been reduced due to low water levels, current operating issues with Well 32 and the expected reduction in operating safe yield in the Chino Basin.

Mr. Moorrees recommended the Committee approve increasing entitlement to 13,000AF/YR (8.3%) effective January 1, 2018 and continue to address water supply projections in October for any future recommended adjustments greater or lesser than 5% for the calendar year.

Mr. Gerardi moved and Mr. Sanchez seconded the general manager's recommendation. Motion carried.

- F. Draft CY2018 Capital Improvement Budget** – Mr. Moorrees advised of the reduction in the amount needed for Item 13 (SCADA Software). He then reviewed each item on the budget with the Committee.

6. Planning and Operational Update -

**A. Project Status Report** –

- **Cucamonga Crosswalls** – The Army Corps of Engineers is stating they will issue the permit before the end of the year.

7. Basin Issues and Updates

- **San Antonio Canyon Watershed** – Staff met with the Local Agency Formation Commission (LAFCO) earlier in the day regarding the sphere of influence and the consolidation of Mt. Baldy and San Antonio Canyon Mutual Services and SAWCo's concerns with water rights. Ms. Layton will be sending LAFCO a letter with SAWCo's concerns on these matters.

November 28, 2017

- *Chino Basin* – Nothing new to report.
- *Six Basins* – Nothing new to report.

9. Committee's Comments and Future Agenda Items: – None.

Adjournment: –The meeting was adjourned at 4:23 p.m. Motion carried.

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Assistant Secretary  
Charles Moorrees



San Antonio Water Company, CA

Item 4D  
**Income Statement**  
**Group Summary**

For Fiscal: 2017 Period Ending: 12/31/2017

IncomeStatement	Original Total Budget	Current Total Budget	MTD Activity	YTD Activity	Budget Remaining
<b>Revenue</b>					
<b>SubCategory: 40 - Shareholder Revenue</b>					
1185 - Domestic Water Income (Base)	175,069.00	175,069.00	33,468.13	205,055.47	-29,986.47
1215 - Domestic Water Income (Supplemental)	245,437.00	245,437.00	38,022.01	254,750.51	-9,313.51
1220 - Domestic Water Income (Tier 3)	0.00	0.00	65,908.46	186,040.63	-186,040.63
1230 - Domestic Water Income (Readi/Chrg)	201,333.00	201,333.00	33,059.68	199,934.17	1,398.83
1235 - Domestic Water Availability Charge (WAC)	0.00	0.00	9,741.54	28,910.38	-28,910.38
1245 - Municipal Water Income (Base)	2,003,088.00	2,003,088.00	238,948.42	2,500,529.65	-497,441.65
1260 - Municipal Water Income (Supplemental)	9,877.00	9,877.00	0.00	561,419.39	-551,542.39
1268 - Municipal Water Income (Readi/Chrg)	79,800.00	79,800.00	6,650.00	79,800.00	0.00
1274 - Misc Water Income (Base)	146,701.00	146,701.00	11,356.23	166,231.83	-19,530.83
1275 - Misc Water Income (Supplemental)	109,553.00	109,553.00	11,830.02	190,678.65	-81,125.65
1276 - Munnicipal Water Availability Charge (WAC)	0.00	0.00	39,690.00	238,140.00	-238,140.00
1280 - Misc Water Income (Tier 3)	0.00	0.00	14,173.95	15,432.99	-15,432.99
1288 - Misc Water Income (Readi/Chrg)	23,556.00	23,556.00	2,030.00	23,730.00	-174.00
1290 - Misc Water Availability Charge (WAC)	0.00	0.00	1,922.00	11,532.00	-11,532.00
1295 - Dormant Water Availability Charge (WAC)	0.00	0.00	9,056.40	27,202.00	-27,202.00
1300 - Sale of Water/From Storage	180,000.00	180,000.00	0.00	180,000.00	0.00
1302 - Meter Service Fees	6,166.00	6,166.00	0.00	3,256.00	2,910.00
1400 - Stock Transfer	3,240.00	3,240.00	360.00	3,630.00	-390.00
1405 - Capital Facility Connection Fee	17,678.00	17,678.00	0.00	5,691.00	11,987.00
1410 - Late/Re-establishment Fee	5,904.00	5,904.00	0.00	3,740.00	2,164.00
1415 - Drought Ordinance Violation Fee	1,260.00	1,260.00	50.00	100.00	1,160.00
1420 - Return Check Fee	150.00	150.00	25.00	200.00	-50.00
1425 - Broken/Missing Lock Fee	0.00	0.00	0.00	25.00	-25.00
1430 - Stock Certificate Storage and Handling Fee	144.00	144.00	20.00	120.00	24.00
<b>SubCategory: 40 - Shareholder Revenue Total:</b>	<b>3,208,956.00</b>	<b>3,208,956.00</b>	<b>516,311.84</b>	<b>4,886,149.67</b>	<b>-1,677,193.67</b>
<b>SubCategory: 42 - Non-Shareholder Revenue</b>					
1635 - Development Plan Check Fee	2,242.00	2,242.00	0.00	0.00	2,242.00
1725 - Misc. Income	568.00	568.00	0.00	1,648.60	-1,080.60
1730 - Construction Permit & Inspection Fee	0.00	0.00	0.00	6,658.75	-6,658.75
1750 - Service/Litigation Agreements	681.00	681.00	80.48	786.73	-105.73
1753 - Ground Lease Income	54,100.00	54,100.00	6,550.88	58,785.56	-4,685.56
1755 - Interest Earned	22,650.00	22,650.00	194.36	29,337.34	-6,687.34
1785 - Gain on Sale of Asset	0.00	0.00	17,801.84	17,801.84	-17,801.84
1903 - IEUA BMP Support Grant	2,000.00	2,000.00	0.00	0.00	2,000.00
<b>SubCategory: 42 - Non-Shareholder Revenue Total:</b>	<b>82,241.00</b>	<b>82,241.00</b>	<b>24,627.56</b>	<b>115,018.82</b>	<b>-32,777.82</b>
<b>Revenue Total:</b>	<b>3,291,197.00</b>	<b>3,291,197.00</b>	<b>540,939.40</b>	<b>5,001,168.49</b>	<b>-1,709,971.49</b>
<b>Expense</b>					
<b>SubCategory: 50 - Operating Facilities</b>					
2175 - Facility Related Field Labor	233,791.00	233,791.00	23,673.29	234,075.45	-284.45
2235 - Repairs to Facilities and Equipment	444,473.00	444,473.00	19,611.81	473,344.90	-28,871.90
2265 - Power-Gas & Electric (utilities)	643,488.00	643,488.00	59,701.02	588,302.58	55,185.42
<b>SubCategory: 50 - Operating Facilities Total:</b>	<b>1,321,752.00</b>	<b>1,321,752.00</b>	<b>102,986.12</b>	<b>1,295,722.93</b>	<b>26,029.07</b>
<b>SubCategory: 51 - Operating Activities</b>					
2475 - Customer Service	71,831.00	71,831.00	4,327.71	77,589.24	-5,758.24
2498 - Conservation	30,000.00	30,000.00	1,457.20	27,870.96	2,129.04
<b>SubCategory: 51 - Operating Activities Total:</b>	<b>101,831.00</b>	<b>101,831.00</b>	<b>5,784.91</b>	<b>105,460.20</b>	<b>-3,629.20</b>
<b>SubCategory: 52 - Other Operating Expense</b>					
2205 - Non-Facility Related Labor	95,327.00	95,327.00	7,729.78	86,081.85	9,245.15
2210 - O & M - All Other	2,726.00	2,726.00	1,165.00	2,150.82	575.18
2280 - Purchased Water	46,754.00	46,754.00	0.00	0.00	46,754.00

## Income Statement

For Fiscal: 2017 Period Ending: 12/31/2017

IncomeStatement	Original Total Budget	Current Total Budget	MTD Activity	YTD Activity	Budget Remaining
2295 - Supplies (Inventory & Tools Expense)	7,120.00	7,120.00	3,068.16	15,304.06	-8,184.06
2565 - Depreciation/Amortization	877,756.00	877,756.00	71,496.87	913,314.51	-35,558.51
2715 - Property Taxes	215,737.00	215,737.00	0.00	218,226.98	-2,489.98
2805 - Water Resource Mgmt.	674,878.00	674,878.00	5,164.67	200,078.31	474,799.69
2850 - Inventory Shrinkage	0.00	0.00	0.00	160.10	-160.10
<b>SubCategory: 52 - Other Operating Expense Total:</b>	<b>1,920,298.00</b>	<b>1,920,298.00</b>	<b>88,624.48</b>	<b>1,435,316.63</b>	<b>484,981.37</b>
<b>SubCategory: 60 - Personnel</b>					
2115 - Administrative Services	180,504.00	180,504.00	16,649.10	206,211.93	-25,707.93
2130 - Development/Water Svc. App.	5,137.00	5,137.00	52.72	1,878.45	3,258.55
2325 - Payroll Taxes	63,851.00	63,851.00	5,990.80	67,212.71	-3,361.71
2355 - Worker's Compensation Insurance	25,877.00	25,877.00	1,300.00	16,642.08	9,234.92
2385 - Benefit Pay (Vac., sick, etc.)	139,823.00	139,823.00	11,870.63	138,241.22	1,581.78
2415 - Benefit Insurance (Pension, Life, Medical, Vision etc)	226,563.00	226,563.00	17,869.73	226,181.93	381.07
2430 - Benefit Administrative Services	1,675.00	1,675.00	0.00	1,425.00	250.00
<b>SubCategory: 60 - Personnel Total:</b>	<b>643,430.00</b>	<b>643,430.00</b>	<b>53,732.98</b>	<b>657,793.32</b>	<b>-14,363.32</b>
<b>SubCategory: 61 - Other</b>					
2445 - Office/IT Support	39,100.00	39,100.00	3,899.95	55,280.60	-16,180.60
2505 - Directors Fees & Expense	40,559.00	40,559.00	3,971.99	31,579.90	8,979.10
2535 - Liability Insurance	33,541.00	33,541.00	0.00	31,778.00	1,763.00
2595 - Communication	34,445.00	34,445.00	3,427.53	31,127.37	3,317.63
2625 - Dues & Publications	5,689.00	5,689.00	0.00	3,338.95	2,350.05
2655 - Outside Services	22,828.00	22,828.00	166.25	60,271.25	-37,443.25
2745 - Income Tax Expense	3,870.00	3,870.00	2,695.00	7,395.00	-3,525.00
2775 - Accounting & Legal Expense	187,956.00	187,956.00	19,616.67	213,662.80	-25,706.80
2790 - Human Resources Expense	45,151.00	45,151.00	2,864.31	34,010.02	11,140.98
2865 - All other	34,583.00	34,583.00	14,086.85	30,039.55	4,543.45
<b>SubCategory: 61 - Other Total:</b>	<b>447,722.00</b>	<b>447,722.00</b>	<b>50,728.55</b>	<b>498,483.44</b>	<b>-50,761.44</b>
<b>Expense Total:</b>	<b>4,435,033.00</b>	<b>4,435,033.00</b>	<b>301,857.04</b>	<b>3,992,776.52</b>	<b>442,256.48</b>
<b>Total Surplus (Deficit):</b>	<b>-1,143,836.00</b>	<b>-1,143,836.00</b>	<b>239,082.36</b>	<b>1,008,391.97</b>	<b>-2,152,227.97</b>

**Fund Summary**

Fund	Original Total Budget	Current Total Budget	MTD Activity	YTD Activity	Budget Remaining
10 - 10	-1,143,836.00	-1,143,836.00	239,082.36	1,008,391.97	-2,152,227.97
<b>Total Surplus (Deficit):</b>	<b>-1,143,836.00</b>	<b>-1,143,836.00</b>	<b>239,082.36</b>	<b>1,008,391.97</b>	<b>-2,152,227.97</b>





Account	Name	Balance
<b>Fund: 10 - 10</b>		
<b>Assets</b>		
<b>BalSubCategory: 10 - Cash</b>		
<u>10-00-00-10100-00000</u>	Petty Cash	250.00
<u>10-00-00-10200-00000</u>	Checking Account	1,134,138.30
<u>10-00-00-10300-00000</u>	Savings-Money Market	945,542.28
<u>10-00-00-10400-00000</u>	Savings-CD Accounts	20,000.00
<u>10-00-00-10415-00000</u>	D&O Checking Account	70,592.97
<u>10-00-00-10438-00000</u>	Depre/Obsolescence Res (LAIF)	3,555,416.46
	<b>Total BalSubCategory 10 - Cash:</b>	<b>5,725,940.01</b>
<b>BalSubCategory: 11 - Accounts Receivable</b>		
<u>10-00-00-11100-00000</u>	Accounts Receivable-Domestic	173,477.86
<u>10-00-00-11200-00000</u>	Accounts Receivable-Municipal	288,388.80
<u>10-00-00-11250-00000</u>	Accounts Receivable-Misc.	41,398.20
<u>10-00-00-11260-00000</u>	Accounts Receivable - Dormant	9,307.40
<u>10-00-00-11275-00000</u>	Contra Accounts Receivable - Unapplied C	-7,818.47
<u>10-00-00-11300-00000</u>	Accounts Receivable-Other	50.24
	<b>Total BalSubCategory 11 - Accounts Receivable:</b>	<b>504,804.03</b>
<b>BalSubCategory: 12 - Inventory</b>		
<u>10-00-00-12100-00000</u>	Inventories-Materials & Supply	85,678.59
	<b>Total BalSubCategory 12 - Inventory:</b>	<b>85,678.59</b>
<b>BalSubCategory: 13 - Prepaid</b>		
<u>10-00-00-13100-00000</u>	Prepaid Insurance	8,868.75
<u>10-00-00-13105-00000</u>	PREPAID POSTAGE	369.00
	<b>Total BalSubCategory 13 - Prepaid:</b>	<b>9,237.75</b>
<b>BalSubCategory: 14 - Investments</b>		
<u>10-00-00-14150-00000</u>	P.V.P.A. Investment	1.00
	<b>Total BalSubCategory 14 - Investments:</b>	<b>1.00</b>
<b>BalSubCategory: 15 - Property, Plant, &amp; Equipment</b>		
<u>10-00-00-15100-00000</u>	Land & Water Rights	924,864.03
<u>10-00-00-15110-1507J</u>	Work in Progress "Proj J"	41,133.01
<u>10-00-00-15110-1601N</u>	Work in Progress	5,381.76
<u>10-00-00-15110-1602U</u>	Work in Progress	115,171.05
<u>10-00-00-15110-1701A</u>	Work in Progress	6,224.42
<u>10-00-00-15150-00000</u>	Buildings & Site Improvements	1,745,708.81
<u>10-00-00-15200-00000</u>	Wells-Shafts, Bldgs, & Equip	4,834,924.56
<u>10-00-00-15250-00000</u>	Boosters-Bldgs & Equip	2,159,256.41
<u>10-00-00-15300-00000</u>	Reservoirs	1,635,164.98
<u>10-00-00-15350-00000</u>	Tunnels, Forebay, & Ponds	1,537,179.92
<u>10-00-00-15400-00000</u>	Spreading Works-Cucamonga Wash	54,859.53
<u>10-00-00-15410-00000</u>	Spreading Works-SanAntonio Wsh	50,235.18
<u>10-00-00-15450-00000</u>	Pipelines	15,613,893.22
<u>10-00-00-15500-00000</u>	Autos & Equipment	368,931.91
<u>10-00-00-15550-00000</u>	Tools	73,859.94
<u>10-00-00-15600-00000</u>	Telemetry System	482,714.06
<u>10-00-00-15650-00000</u>	Office Equipment	488,397.67
<u>10-00-00-15990-00000</u>	Accumulated Depreciation	-11,012,233.83
	<b>Total BalSubCategory 15 - Property, Plant, &amp; Equipment:</b>	<b>19,125,666.63</b>
<b>BalSubCategory: 16 - Other Assets</b>		
<u>10-00-00-16100-00000</u>	Documents & Studies	888,104.50
<u>10-00-00-16105-1502S</u>	Work in Progress - Docs	278,869.97

Balance Sheet

As Of 12/31/2017

Account	Name	Balance
<u>10-00-00-16990-00000</u>	Accumulated Amortization	-831,235.31
	<b>Total BalSubCategory 16 - Other Assets:</b>	<u>335,739.16</u>
	<b>Total Assets:</b>	<u>25,787,067.17</u>
		<u>25,787,067.17</u>

Liability

<b>BalSubCategory: 20 - Short-term less than 1 year</b>		
<u>10-00-00-20100-00000</u>	Trade Accounts Payable	90,504.95
<u>10-00-00-20115-00000</u>	D&O Trade Accounts Payable	18,619.18
<u>10-00-00-20120-00000</u>	Water Service Entitlement Payable	370,526.98
<u>10-00-00-20150-00000</u>	Employee Pension Payable	12,529.01
<u>10-00-00-20320-00000</u>	Federal Unemployment Tax	1,617.00
<u>10-00-00-20410-00000</u>	State Franchise Tax Payable	2,695.00
<u>10-00-GN-20820-00000</u>	Accrued Vacation Payable	20,404.60
<u>10-00-OP-20820-00000</u>	Accrued Vacation Payable	24,818.57
	<b>Total BalSubCategory 20 - Short-term less than 1 year:</b>	<u>541,715.29</u>
<b>BalSubCategory: 21 - Long-term more than 1 year</b>		
<u>10-00-00-21500-00000</u>	Unclaimed Credits	18,044.10
	<b>Total BalSubCategory 21 - Long-term more than 1 year:</b>	<u>18,044.10</u>
	<b>Total Liability:</b>	<u>559,759.39</u>

Equity

<b>BalSubCategory: 30 - Stockholder equity</b>		
<u>10-00-00-30200-00000</u>	Contributed Capital - Ext. Fee	447,258.02
<u>10-00-00-30210-00000</u>	Contr. Property, Plant & Equip	2,404,270.37
<u>10-00-00-30300-00000</u>	Capital Account	1,500,000.00
<u>10-00-00-30310-00000</u>	Unissued Capital Stock	-861,100.00
<u>10-00-00-30400-00000</u>	Retained Earnings-Brd Designated	3,626,009.43
<u>10-00-00-30410-00000</u>	Retained Earnings-Unrestricted	17,102,477.99
	<b>Total BalSubCategory 30 - Stockholder equity:</b>	<u>24,218,915.81</u>
	<b>Total Beginning Equity:</b>	<u>24,218,915.81</u>
Total Revenue		5,001,168.49
Total Expense		3,992,776.52
Revenues Over/Under Expenses		<u>1,008,391.97</u>
	<b>Total Equity and Current Surplus (Deficit):</b>	<u>25,227,307.78</u>
	<b>Total Liabilities, Equity and Current Surplus (Deficit):</b>	<u>25,787,067.17</u>



Item 4E

**Monthly Investment Activity Summary - Compiled from Banking Statements for Correlation with Monthly Financials**

Institution	Type of Investment	Date of Maturity	Rate of Interest (A.P.Y.)	Amount of Deposit as of 12/31/2017	Accumulated Yearly	
					Service Fees thru Dec	Interest Earnings thru Dec
Citizens Business Bank (CBB)	*Checking	N/A	No Interest	\$ 1,134,138.30		N/A
Citizens Business Bank (CBB)	*D&O Checking	N/A	No Interest	\$ 70,592.97		N/A
Citizens Business Bank	Prof. Money Mkt	N/A	0.25%	\$945,542.28	\$	2,752.31
Local Agency Investment Fund	LAIF	N/A	1.07%	\$ 3,555,416.46	\$	26,505.04
Golden State Business Bank	12 Month C.D.	April 15, 2018	0.40%	\$ 20,000.00	\$	79.99
<b>TOTAL:</b>				\$ 5,725,690.01		
<b>TOTAL IN CD'S:</b>				\$ 20,000.00		
9/11/2017:						
\$500,000 was transferred from Money Market (operating) to the higher yield interest rate, Local Agency Investment Fund (LAIF) (D&O reserves) account.						
Designated Funds (D&O Checking and LAIF)						
Positive Balance at per Audit				\$ 3,626,009.43		
Total amount of designated Funds (transferred 2/7/2018)				\$ 751,293.71		
				\$ 4,377,303.14		



**A. Water Supply**

On December 19, 2017 the Board determined to maintain the existing annual entitlement at 12,000 AF due to prospects of another dry year.

**Six Basins Production**

As of December 31, 2017, the Water Company produced a total of 884.166 AF out of 1,100.204 AF OSY (88% of production rights). The OSY for CY2018 has been reduced to 14,000 AF reducing the Water Company's annual production right to 1003,24 AF.

The Water Company spread a total of 1,094.446 AF in Six Basins to date. Since January of this year, water levels increased 13 feet in the second quarter of this year but dropped 84 feet in the third quarter.

**Cucamonga Basin Production**

As of December 31, 2017, the Water Company produced a total 5,761.286 AF [128% of OSY and 97% based on the 10 year running average recharge]. A total of 1,462.873 AF was recharged into Cucamonga Basin. Water levels increased 5 feet in the second quarter of this year but dropped 16 feet in the third quarter.

**Chino Basin Production**

The Water Company produced 392.673 AF in this calendar year but 25% of OSY in the Chino Basin FY2017/2018. The Water Company will provide recommendation to transfer of remaining entitlement for Upland and Ontario from its stored water account to the PROC in January. This recommendation shall be based on the amount of water recharged in this calendar year only if available.

Since January of this year the Water Company spread a total of 1,025.943AF into Chino Basin with a 10 foot increase in water levels in the second quarter of this year and remains the same level in the third quarter.

**Surface Water (San Antonio Creek)**

Total flow to date for CY2017 is 6,438.383 AF. With no precipitation, flows continue to drop dramatically.

**San Antonio Tunnel**

Tunnel flows have maintained steady flow providing the water supply for the domestic service area in the San Antonio Heights. Totals supply for CY2017 2,120.191 AF.

**B. Facilitating Sale of Inactive Shares to Interested Buyers**

There is a total of ¼ shares going from dormant to active this transfer period.

**C. Communication and Information Activities**

The Winter Newsletter was mailed the first week of January. Staff currently working on spring Newsletter that will be mailed out the end of March.

Staff is communicating on "Facebook" with 164 friends liking our page. Communication is posted regularly.

**Water Conservation** – Presenting proposed pilot program with American Leak Detection (ALD) to install a Flo device on customer main line to monitor flows and leaks. Also to utilize ALD in our Leak Detection & Repair Program.

D. New Billing and Accounting Software – The implementation of the inventory module is up and running. Work order module is installed but is not being utilized. Staff was trained with Tyler on the inventory system and has been developing month end procedures for inventory control.

E. San Antonio Creek Canyon - Water Usage

On July 5, 2012, Special Counsel submitted SAWCo's documentation per the USFS request along with a letter.

On November 8, 2012, we are advised that the SWRCB staff is examining our complaint and expect a response soon.

State Water Resources Control Board submitted a request to the USFS, Mt. Baldy HOA and SHIA for information regarding their current diversions and associated water rights as a response to the Water Company's claim.

On May 12, 2014 staff met with the USFS regarding their required response. It was suggested that we meet jointly with the Mt. Baldy HOA and SHIA to collaborate a response to the State Board.

A subsequent meeting was held on June 3, 2014 with the USFS, Mt. Baldy HOA and SHIA to discuss the data gathering for the response due on June 5.

It appears that Mt. Baldy insists on pursuing their rights to water and that SHIA will depend on the USFS. The four private lots in SHIA at the intersection of Mt. Baldy Road & Ice House Canyon will submit their rights under the Vernon Deed. We believe that the parties are amenable to developing an agreement with the Water Company; however, the outcome of the State Board response to those agencies will dictate their efforts in moving forward to an agreement.

Mt. Baldy HOA, SHIA and the USFS submitted their response to the State Board. Pending response from SWRCB.

A year ago staff was able to engage in a dialogue with the Forest Supervisor, Mr. Tom Contreras. It was reported in the newspaper last week that Tom Contreras resigned his post.

August 9, 2015 response from the State Board. They have prepared some draft material regarding our complaint. However, the continuing drought and other priorities have caused delays in progress towards making a final determination of the complex issues on Mt. Baldy.

On August 31, 2016, in light of SB 88 requiring measurement and reporting of diversions, staff contacted the State Board regarding the status of the Company's complaint and undocumented diversions in Mt. Baldy.

On October 24, 2016, Victor Vasquez with the Division of Water Rights set up a conference call to discuss the Company's complaint. On the call was the Water Company's Special Counsel, Fred Fudacz, Staff, Upland, and Pomona. There were four members of the State's Water Rights Division on the call including the State's legal counsel handling the complaint. SAWCo's special counsel, Fred Fudacz brought the State up to speed on our complaint and advised that the Water Company was not seeking punitive damages but rather better

management of existing water rights in the fully appropriated stream. Although the State is now actively working our complaint, they were non-committal on providing regular updates.

On February 3, 2017, representatives from the State Water Resources Control Board Water Rights Division met with staff to observe the Company's water rights diversion structure in response to address the Water Company's water rights complaint. Representatives from Pomona, Ontario and Upland were present as major beneficiaries from this source water.

Subsequent to the February 2017 meeting, the State Water Resources Control Board requested the USFS to locate existing diversions in Mt. Baldy and provide a response within 90 Days beginning April 2017.

As of July 1, 2017, the State received and is reviewing information from the USFS regarding diversions in Mt. Baldy and anticipates more information on other diversions and volumes to be submitted by the Forest Service.

August 23, 2017 - Staff met with the Monument Manager of the US Forest Service and staff to discuss the information on diversions provided to the State. It was determined that the Forest Service would try to provide that report by September 13, 2017 and that the Monument Manager agreed to make a presentation at the September Board. Manager was not prepared to address the Board at this time.

September 25, 2017 – Due to fire season and ongoing reorganization of two Districts, the issue was deferred to Ms. Adrienne Dunfee, Deputy Monument Manager as the key contact on this matter moving forward. Without a specific date on completion of the report she stated that the full report would be provided before the end of this year.

Discuss in closed session.

## F. Groundwater Basin Matters

### Chino Basin

#### • **Chino Basin Pool Special confidential meeting – 12/20/17**

- Staff attended a special confidential meeting of the Pool on December 20<sup>th</sup>.
- The Six Parties that have been meeting regarding the court's decision and the anticipated appeal are: CVWD, Pomona, MVWD, Jurupa, Chino, and Ontario. At the meeting a term sheet that has been reached between the parties was distributed. They are attempting to reach out to the other parties now.
- Staff has reviewed it and has spoken to other entities and our legal counsel about the term sheet. At the recent Appropriative Pool on January 11<sup>th</sup> in closed session, it was decided to release the term sheet to the legal counsels for the Ag Pool and the Non-Ag Pool to get their response by January 31<sup>st</sup>. The Pool also wanted feedback from the other appropriators who were not part of the six.
- Our legal counsel indicated that everything is too vague at the moment and you cannot say with certainty what the agreements are or what is the likely outcome. He is

suggesting that the Board wait for approval of anything until we see the final agreement. The City of Upland will be discussing this item in closed session on January 22<sup>nd</sup>.

- **Chino Basin Pool Appropriate Pool meeting – 1/11/18**
- **Annual Elections:** Chair: Teri Layton/San Antonio Water Company  
Vice- Chair: Van Jew/Monte Vista Water District
- **Minor Reps to the 2018 Advisory:** Minor Rep #1: San Antonio Water Company  
Minor Rep #2: Monte Vista Irrigation Water Company
- **Advisory Vice- Chair:** Todd Corbin/Jurupa
- **Watermaster Board:**
  - City of Chino – Eunice Ulloa
  - Alternate: Tom Haughey
  - Minor Rep: Gino Filipi/San Antonio Water Company  
Manny Martinez [Alternate]
- **Consent Calendar** – correction....storage is not 520,000 as in report but 534,000 AF [DYY 50,000 this year....approaching 600,000 AF limit] Watermaster has not received everyone's storage agreement [SAWCo is good] Watermaster will be bringing to Advisory & Board.
- Other notes of interest: Storage Management Progress – Wildermuth has been working on Task 1 & 2 and when MPI occurs. With the parties best estimate of production, no MPI occurs. It's time for Recharge Management Project Update (2018) and will begin in February possibly following Advisory meeting. In July & Sept. may need to go to two meetings a month to complete.
- Well Preservation Strategy – Watermaster is losing some monitoring wells due to land development. Wildermuth is working out a possible plan for future.

Court hearing regarding staying the Judgement was extended from February 2, 2018 to September 14, 2108 @ 1:30 pm.

### **Cucamonga Basin**

Management met with CVWD and West End Consolidated Water Company (WECWC) to discuss modernizing the Judgment and our next steps in Cucamonga Basin management. Staff to prepare talking points for next meeting with CVWD.

### **Six Basins**

Annual elections were held at the January 24, 2018 Board Meeting.

President: Darron Poulsen  
Vice President: Dan Keeseey  
Treasurer: Ben Lewis  
Secretary: Tom Thomas

Maintenance Expenditures for the new MW-4 Monitoring Well site was presented by Pomona.

Watermaster staff presented the Memorandum of Understanding with TVWD regarding funding and preparation of Programmatic Environmental Impact Review for the Strategic Plan Implementation and will bring to the Board for final approval.

Watermaster staff informed the Board that on January 2, 2018, TVWD had secured the services of a grant consultant to address the need to aggressively pursue grant funding opportunities for the Strategic Plan projects.

Staff provide their report on spreading activities, production, and budget summary.

A short Strategic plan summary was presented by staff followed by an update of the MSF permittees Collaboration by Pomona as the lead agency.

G. Legal Issue Summaries – No Issues as of this report.

H. Monitoring of Approved Assembly Bills Affecting the Water Company

1. [REF] Sustainable Groundwater Management Act (SGMA)- AB 1168 (Pavley) and AB1739 (Dickinson) Signed by the Governor in September 2014 requiring groundwater resources be sustainably managed by local agencies providing the powers needed to sustainably manage groundwater over the long-term. This requires Groundwater Sustainability Plans (GSP's) be developed for medium and high priority groundwater basins. Chino Basin and Six Basins Watermaster is currently working with the SWRCB to rectify and clarify basin boundaries.

Senate Bill 13 was passed in September and becomes law in January 2016 adds new requirements and clarifications to the SGMA with regard to overlapping boundaries. It also authorizes mutual water companies as participants in groundwater sustainability agencies.

Each non adjudicated basin will be required to establish a basin management plan. Staff is currently preparing strategy in moving forward with CVWD and Upland towards that goal.

2. Senate Bill (SB) 88 was signed by the Governor on June 24, 2015 requires added measurement and reporting those water rights holders that divert more than 10 AF of water per year. The State Water Board adopted a regulation to implement the new law which took action on March 21, 2016.

When the amount of water available in a surface water source is not sufficient to support the needs of existing water rights holders and in-stream uses, the Board may require monthly or more frequent reporting in the affected areas to provide the most accurate assessment of water demand and will notify diverters in the affected areas when additional reporting is required.

The Water Company is in compliance as it measures and reports all diversions annually by March of each year.

3. Making Conservation a California Way of Life” Bills: AB 1323, AB 1668, SB 606 . All three bills are vehicles for the implementation of Governor Brown’s Executive Order B-37-16 which directed the State Water Board, the Department of Water Resources (DWR), the Department of Food and Agriculture, the Public Utilities Commission (PUC), and the California Energy Commission (CEC) to take actions focusing on using water wisely, eliminating water waste, strengthening local drought resilience, and improving ag efficiency and planning. Of the three bills, AB 1323 is considered the “compromise” bill as it would require a stakeholder workgroup to develop, evaluate, and recommend proposals for establishing new water use targets for urban water suppliers and to report to the Governor and the Legislature by December 2019. To date, no action has been taken on the bills.



1. Interstate 10 Corridor Project

Prior to the end of last year, staff met with the engineering consultant (HNTB) for the State of California Department of Transportation /San Bernardino County Transportation Authority (SBCTA) to coordinate pipeline conflicts with the proposed project. The project will impact portions of the Water Company's pipeline crossing at east of 6<sup>th</sup> Street in Ontario from the Company's Well 12 site on 6<sup>th</sup> Street north of the freeway to the Company's site on Council Avenue on the south side.

The project was scheduled to advertise for Design/Build contractor in December 2017. Staff anticipates the contractor awarded the contract will develop plans for the Water Company's review in and around the April 2018 timeframe. Due to prior rights, the waterline relocation project will be at no cost to the Water Company and Company will be reimbursed for plan check and construction inspection based on the current established Company fees and charges.

2. Reservoir 7 Rehabilitation/Design

[CY2017 Budget \$826,500]

Budget based on Harper & Associates Opinion of Probable cost removing existing roof and walls and constructing a steel roof with access hatch. Staff is currently obtaining cost from CST for an aluminum cover to span the reservoir which may result in cost savings.

Obligated to date	CY2017	CY2018	
\$51,230	\$ 5,140		Harper & Associates
	\$5,140		= Total to Date

3. Edison Pond – New Sluice Gate Replacement [CY2-018]

[CY2018 \$70,000 – Board approved 4/18/17 from D&O]

Construct new sluice gate to replace failing existing "wood" gate structure intake from stream flow. Pomona's engineer is currently preparing the engineering design for the structure.

4. Office Relocation Feasibility Study– [Carry over] [Currently on Hold]

[CY2017 Budget \$176,000]

AdHoc committee created to review project processes. CEDG prepared a site plan and conceptual layout on the north half property in advance of preparing preliminary design drawings.

The City of Upland requested the purchase the south half of the property for construction of a reservoir which should be constructed within a two year time frame. The City agreed to consider the \$494,000 owed by the Water Company to the City of Upland as a down payment towards purchasing the property.

Obligated to date	CY2017	CY2018		
\$ 34,560	\$ 9,000		N/A	CEDG

Task 2 – Pre Design	16,000	7,000		
	\$ 25,000	32,000		= Total to Date

CEDG presented the conceptual office layout to the Board in March. The City of Upland appraised value is submitted for Board approval on this agenda. Since the City is seeking SRF funding, they request that the valuation is locked in for 1 year until they receive appropriate funds in November of CY2018.

The Water Company’s plan for developing the office project is to fund it entirely from the sale of the Water Company’s 17<sup>th</sup> Street property, Office and Yard property. The AdHoc Committee will be currently on hold until the City’s funding mechanism is in place; however, staff proposes a “draft” funding strategy to determine the proposed receipt of sale of assets as it pertains to the Company’s 85/15 tax exemption.

**5. WFA Pipeline Connection– [Carry over] [Defer till CY2018]**  
[CY2018 Budget – \$110,000]

On October 30, 2017, the Water Company received a letter from the DDW regarding the BIN Classification determination from BIN 2 to BIN 1. The project is now dependent on approval by the WFA Board to construct the connection for delivery. All of the current JPA members are also entity shareholders [Upland, Ontario, MVWD, Chino and latest shareholder, Chino Hills].

The project is ready for construction bids once we receive WFA approval to make the connection.

Obligated to date	CY2018	
\$	\$ 0	
	\$0	= Total to Date

**6. Holly Drive Reservoir– [Carry over]**  
[CY2018 Budget \$196,124]

TKE Engineering is preparing design preparing the environmental documents and design for two 120,000 gallon reservoirs to replace the existing 60,000 gallon reservoir in order to accommodate 1) operational capacity, 2) fire flow @ 1,500 gpm for 2-hour duration, 3) and emergency storage.

In January, the Board approved additional budget for additional environmental work required. The environmental work is anticipated to be completed by November 2017. In October 2017 the Board approved additional budget appropriation to facilitate the change in design for twin 120,000 gallon reservoirs.

TKE provided the Opinion of Probable Cost to be \$600,000 for the site improvements and two 120,000 gallon reservoirs. Staff proposes to phase the construction with site improvements in this year and defer tank construction until subsequent years.

Obligated to date	CY2016	CY2017	CY2018	
\$ 74,500	\$ 62,000	\$ 43,856		TKE Engineering
\$ 45,070				10/17/17 Add'l Eng. .
	\$ 62,000	\$ 43,856		<b>= Total to Date</b>

7. Basin 6 Desilting – [Carry over]

[CY2018 Budget – \$266,000]

Environmental Document - Initial Study

SBCFCD is the Lead Agency for the environmental document “piggy backed” onto the Water Company’s document for their minimum maintenance requirement. The environmental document is pending adoption by the County Supervisors.

Army Corps Nationwide permit

On February 7, 2018, the Water Company received the Nationwide permit that is contingent on receiving the 401 permit from RWQCB Santa Ana Region.

CDFW Streambed Alteration Agreement Notification

Submitted requested information on October 10, 2017, pending response by November 9, 2017 for drafting the final agreement.

RWQCB 401 Permit

Information was submitted on October 19, 2017. With completion of the environmental document, the State has begun the statutory timeline in review of the Water Company’s permit request.

Obligated to date	CY2015	CY2016	CY2017	CY2018	
\$ 47,940	\$ 14,869	\$17,227	\$1,339		To Altum Group
\$ 5,000	\$ 4,127				To TKE – Project Mgmt.
\$ 7,200	\$ 0	\$0			To CHJ - Geotechnical
	\$ 117				Plan Check
	\$ 26				Reimbursable
	\$19,139	\$ 17,227	\$1,339		<b>= Total to Date</b>

8. Cucamonga Crosswalls Repair & Desilt – [Carry over]

[CY2018 Budget – \$103,232]

According to the “Recharge Feasibility on the Cucamonga Creek” by Wildermuth Environmental dated December 2008, the desilting and repairing the existing crosswalls is anticipated to provide an additional 1,850AF/year.

The following items are still pending:

1. Nationwide Permit from Army Corps of Engineers (ACE) was submitted in July of CY2016.
  - o The Base Maintenance and Operating plan was submitted and reviewed by ACE.
  - o Staff anticipated ACE issuing the nationwide permit by the end CY2017 which is still pending to date.

In December of last year the Board removed the concession requirement for the contractor to reimburse the Water Company's expenses to date which allowed the County to waive the extraction fees. Once ACE issues the Nationwide Permit (still pending), the project will move forward to construction with the County Flood Control District permit.

Obligated to date	CY2014	CY2015	CY2016	CY2017	CY2018	
\$ 26,920	\$ 24,448	\$ 35,524	\$ 22,941	\$4,243		Altum Group
\$ 50,040	\$ 7,049	\$ 10,305	\$ 33,972	\$1,525		TKE/Proj. Mgmt. /Noise Monitoring
\$23,425						ECORP. – On-call Archaeologist
			\$ 90,000			RWQCB fee
		\$ 398	\$ 96			Reimbursable
\$100,385	\$ 31,497	\$ 46,227	\$147,009	\$5,768		<b>Total to Date</b>

This project is anticipated to begin after spring of CY2018.

9. Water Rights Investigation [See Prominent Issues]

10. San Antonio Canyon Watershed

[The San Antonio Canyon drainage area (26.7 sq. mi.) upstream from the San Antonio dam]

The watershed overlies both San Bernardino and Los Angeles Counties within the Angeles National Forest. There are many permitted public and some private uses within the canyon, and the canyon stream flow is a source of water supply for downstream communities.

As of this report the Mt. Baldy Ski Area (MBSA) submitted their plan for diverting the water at the San Antonio Falls to the US Forest Service for the purpose of making snow pursuant to their agreement with the Water Company which expired in CY2015. MBSA has completed their Master Development Plan and submitted it to the USFS and begin the National Environmental Policy Act (NEPA) compliance process. The Board approved extending the current agreement with Mt. Baldy Ski Area to December 31, 2035. Staff has been advised that the MBSA has been authorized by the USFS to do the work for the diversion of the Water Company's rights from the San Antonio Falls and anticipate a pre-construction meeting in January 2018.

At the end of last year, the Watershed Committee submitted an application report to AWWA for consideration of the Source Water Protection Award by the Watershed Committee on behalf of Pomona, Upland and the San Antonio Water Company.

**CY2018 COMPLETED PROJECTS:**

Item 4J

**LOCAL AGENCY FORMATION COMMISSION  
FOR SAN BERNARDINO COUNTY**

RECEIVED

JAN 24 2018

1170 West Third Street, Unit 150, San Bernardino, CA 92415-0490  
(909) 388-0480 • Fax (909) 388-0481  
E-MAIL: lafco@lafco.sbcounty.gov  
www.sbclafco.org

San Antonio Water Company

**PROPOSAL NO.: LAFCO 3222**

**HEARING DATE: January 17, 2018**

**RESOLUTION NO. 3261**

**A RESOLUTION OF THE LOCAL AGENCY FORMATION COMMISSION FOR SAN BERNARDINO COUNTY MAKING DETERMINATIONS ON LAFCO 3222 AND ADOPTING THE SPHERE OF INFLUENCE DESIGNATION FOR THE METROPOLITAN WATER DISTRICT OF SOUTHERN CALIFORNIA, SAN BERNARDINO COUNTY PORTION (sphere adoption to be coterminous with that of its member agency, Inland Empire Utilities Agency, excluding an area of 4.81 acres, encompassing approximately 292 square miles).**

**On motion of Commissioner Bagley, duly seconded by Commissioner Curatalo, and carried, the Local Agency Formation Commission adopts the following resolution:**

**WHEREAS**, an application for the proposed sphere of influence establishment in San Bernardino County was initiated by the Local Agency Formation Commission (hereinafter referred to as "the Commission") for the Metropolitan Water District of Southern California (San Bernardino County portion) and was filed by the Executive Officer of the Commission in accordance with the Cortese-Knox-Hertzberg Local Government Reorganization Act of 2000 (Government Code Sections 56000 et seq.); and,

**WHEREAS**, at the times and in the form and manner provided by law, the Executive Officer has given notice of the public hearing by the Commission on this matter; and,

**WHEREAS**, the Executive Officer has reviewed available information and prepared a report including her recommendations thereon, the filings and report and related information having been presented to and considered by this Commission; and,

**WHEREAS**, the public hearing by this Commission was called for January 17, 2018 at the time and place specified in the notice of public hearing; and,

**WHEREAS**, at the hearing, this Commission heard and received all oral and written support and opposition; the Commission considered all objections and evidence which were made, presented, or filed; and all persons present were given an opportunity to hear and be heard in respect to any matter relating to the application, in evidence presented at the hearing; and,

**RESOLUTION NO. 3261**

**WHEREAS**, a statutory exemption has been issued pursuant to the provisions of the California Environmental Quality Act (CEQA) indicating that the sphere of influence establishment is statutorily exempt from CEQA and such exemption was adopted by this Commission on January 17, 2018. The Commission directed its Executive Officer to file a Notice of Exemption within five working days with the San Bernardino County Clerk of the Board of Supervisors; and,

**WHEREAS**, based on presently existing evidence, facts, and circumstances presented to and considered by this Commission, it is determined that the sphere of influence for the Metropolitan Water District of Southern California (San Bernardino County portion) should be determined to be coterminous with that of its member agency, the Inland Empire Utilities Agency, excluding an area of 4.81 acres, as more specifically described on the attached Exhibits "A" and "A-1" to this resolution; and,

**WHEREAS**, the Commission conducted service reviews in May 2015 titled "Service Review for Water Conservation in the Valley Region" and in July 2017 titled "Countywide Service Review for Water".

**WHEREAS**, the following determinations are made in conformance with Government Code Section 56425 and local Commission policy:

**1. The present and planned land uses in the area, including agricultural and open space lands:**

The map below illustrates the land use designations of the city and county jurisdictions within the area proposed to be included within the sphere of influence for Metropolitan (the area of the IEUA sphere of influence) – shown in red outline. As shown, residential, urban mixed, and industrial uses are prevalent in the urbanized areas with commercial interspersed. Parks and Open Space are heavy at the southwestern edge representing Chino Hill State Park and floodways of the Santa Ana Mainstem Project

The area contains agricultural lands, Williamson Act contracts, agricultural preserve designations, and areas where special permits are required. Pursuant to Government Code Section 56426.6, the Commission shall not approve a change to the sphere of influence of a local government agency of territory that is subject to a contract entered into pursuant to the California Land Conservation Act of 1965 (known as the Williamson Act)<sup>1</sup> if that local government agency provides, or would provide, facilities or services related to ...nonagricultural water ... to the territory. However, the Commission may nevertheless approve a change for that territory if it finds either of the following:

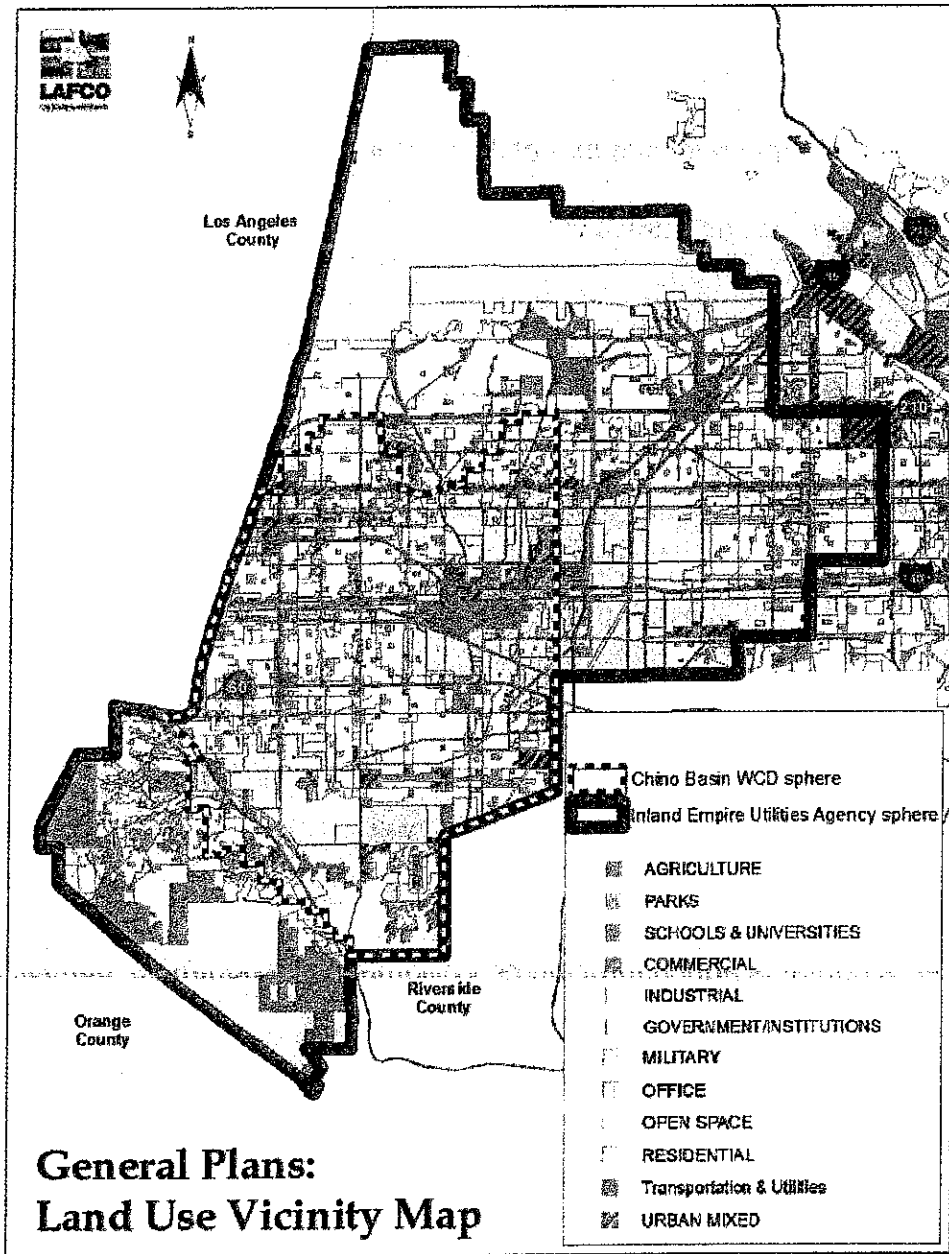
- That the change would facilitate planned, orderly, and efficient patterns of land use or provision of services, and the public interest in the change substantially outweighs the public interest in the current continuation of the contract beyond its current expiration date.

<sup>1</sup> California Government Code, Title 5, Division 1, Part 1, Chapter 7 (commencing with Section 51200)

**RESOLUTION NO. 3261**

- That the change is not likely to adversely affect the continuation of the contract beyond its current expiration date.

A sphere of influence is a planning tool, and the sphere establishment supports the planning efforts necessary to assist in the agricultural operations.



**2. The present and probable need for public facilities and services in the area:**

Pursuant to the determinations in the service reviews dated May 2015 and July 2017, the following information is provided for this factor.

**RESOLUTION NO. 3261**

**Present Need**

The population within the study area increased 23% from 1990 to 2000. Interestingly, the population within the study area grew at a lesser rate of 16% from 2000 to 2010 during the construction boom. The 2015 estimated population was 856,168.

Pop Source	Census			Estimate	Projected		
	1990	2000	2010	2015	2020	2030	2040
IEUA sphere	569,490	701,527	814,210	856,168	896,533	1,009,349	1,125,203
Sources: 2015 IEUA Urban Water Management Plan; 2015 San Bernardino Valley Regional Urban Water Management Plan; ESRI estimates for 2015							

There are generally two basins within the study area: Chino and Cucamonga, both of which are adjudicated. The figure below is a summary of the two basins from the Department of Water Resources ("DWR"). As part of the California Statewide Groundwater Elevation Monitoring Program and pursuant to the California Water Code §10933, DWR is required to prioritize California groundwater basins, so as to help identify, evaluate, and determine the need for additional groundwater level monitoring. As identified by the DWR, the Chino Basin has been designated as a High Priority basin (high cumulative ratings as shown in the chart below) and the Cucamonga Basin as a Medium Priority basin for future monitoring. Both share similar population, groundwater reliance factors, and have been impacted from the increasing population.

California Statewide Groundwater Elevation Monitoring Program								
Upper Santa Ana Valley Basin - West Valley								
DWR Rating (1 = low, 5 = high)								
Sub-Basin	Sq. Miles	2010 Pop.	Pop.	Pop. Growth	GW Reliance	Impacts	Basin Priority	Impact Comments
Chino	242	898,653	4	2	4	3	High	High nitrates and dissolved solids.
Cucamonga	15	51,001	4	1	3.5	3	Medium	High nitrates reported in 14 of 24 wells tested.

**Probable Need**

It is not until 2025 that the growth rate is projected to increase. LAFCO's analysis in conjunction with Southern California Associated Governments ("SCAG") projections provides a projected population of 1.13 million in 2040 for the study area. The 2040 figure would be roughly twice that of 1990 with an evident corresponding increase in population density.

The population projections identified above do not include the heavy daily business, commercial, education and industrial activities. Further, the transient traffic on Interstates 10 and 15 (two of four interstates that exit Southern California to the east) has significantly increased in volume each decade and is anticipated to continue to do so. All of this signals that the west Valley Region is one of the most densely populated and traveled parts of the state and that the need for additional water resources will only intensify for the already impacted groundwater basins.

Through 2040 the subject area population is expected to significantly increase. It is paramount that the agencies recognize the need to develop and promote programs that



## RESOLUTION NO. 3261

protect existing water resources for the region's sustainability and future growth, as well as the importation of additional water supply.

### **3. The present capacity of public facilities and adequacy of public services that the agency provides or is authorized to provide:**

There will be no service change as a result of the sphere establishment. The area within the boundaries of Metropolitan and IEUA currently receives services from those agencies. The Metropolitan sphere establishment, being a planning tool, would work in concert with the Metropolitan mission<sup>2</sup>, IEUA mission<sup>3</sup>, and Metropolitan and IEUA planning documents:

- IEUA's planning reports to include but not limited to: 2015 Regional Urban Water Management Plan, Operating and Capital Program Budget, Groundwater Recharge Report, and Recycled Water Quality Report.
- Metropolitan's planning reports to include but not limited to: Integrated Water Resources Plan, Urban Water Management Plan, Water Surplus and Drought Management Plan, Long-Term Conservation Plan, and Capital Project Reports.

The area outside the boundaries of these agencies (but within the area proposed for inclusion within the Metropolitan sphere) extends north to the hydrological divide that separates the spheres of the neighboring state water contractors (current northerly extent of IEUA sphere); the inclusion within the Metropolitan sphere will allow for Metropolitan to plan for the provision of its water service in the future.

### **4. The existence of any social or economic communities of interest in the area if the Commission determines that they are relevant to the agency:**

Metropolitan is the state water contractor that delivers imported water to its member agency within San Bernardino County, IEUA. The delivery of this water is for use as recharge or for use from the IEUA member agencies is a vital resource which supports the social and economic interests of the Cities of Chino, Chino Hills, Fontana (western portion), Montclair, Ontario, Rancho Cucamonga, Upland, and a portion of the City of Rialto; and unincorporated territory.

### **5. For an update of a sphere of influence of a city or special district that provides public facilities or services related to ...municipal and industrial water..., the present and probable need for those public facilities and services of any disadvantaged unincorporated communities ...:**

There are two areas that are identified as disadvantaged unincorporated communities ("DUC") within the study area: South Montclair and a portion of West Fontana. These areas

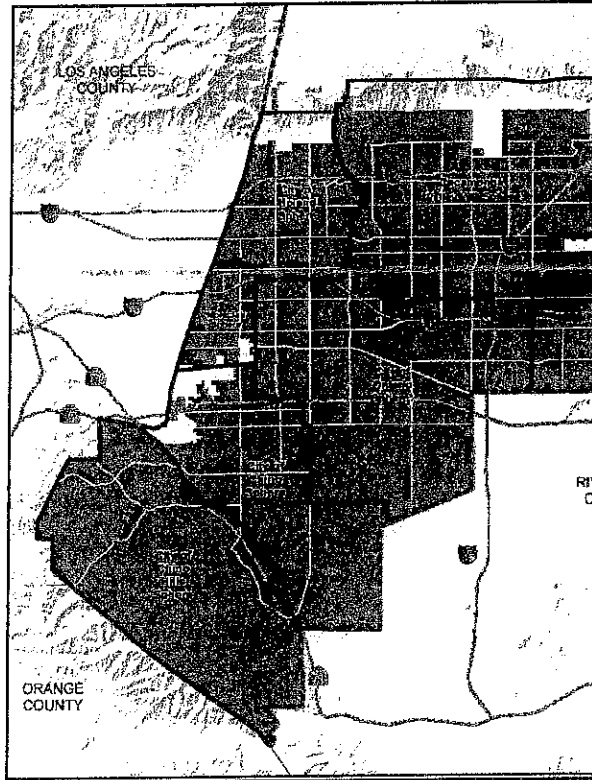
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<sup>2</sup> "The mission of the Metropolitan is to provide its service area with adequate and reliable supplies of high-quality water to meet present and future needs in an environmentally and economically responsible way."

<sup>3</sup> The IEUA mission is, "Inland Empire Utilities Agency is committed to meeting the needs of the region by providing essential services in a regionally planned and cost effective manner while safeguarding public health, promoting economic development and protecting the environment. Key areas of service: Securing and supplying imported water. Collecting and treating wastewater. Producing high-quality renewable products such as recycled water, compost and energy. Promoting sustainable use of groundwater and development of local water supplies."

## RESOLUTION NO. 3261

presently receive wholesale water service from IEUA, as a member of Metropolitan - the state water contractor. Wholesale water provides a supplemental source to the impacted water basins. The probable need for wholesale water to these two DUC areas is anticipated to remain as population projections show steady growth through 2040. These areas are identified in red in the map below.



### 6. Additional Determinations

- Legal notice of the Commission's consideration of the sphere establishment has been provided through publication of a 1/8<sup>th</sup> page legal advertisement in *The Inland Valley Daily Bulletin*, a newspaper of general circulation in the area.
- Individual notices were provided to all affected and interested agencies, County departments and those individuals and agencies requesting special notice.
- In November 2011 San Bernardino LAFCO and Los Angeles LAFCO entered into a Memorandum of Understanding for exchange of principal county status for sphere of influence changes that cross county boundaries to the county where the sphere of influence territory is located. In a letter to Los Angeles LAFCO dated October 25, 2017, San Bernardino LAFCO expressed its intention to utilize the provisions of this MOU to address the Metropolitan Water District sphere in San Bernardino County.

RESOLUTION NO. 3261

WHEREAS, pursuant to the provisions of Government Code Section 56425(i), the range of services provided by the Metropolitan Water District of Southern California (San Bernardino County portion) shall be limited to the following:

<b>FUNCTIONS</b>	<b>SERVICES</b>
Water	Any services or powers identified in the Metropolitan Water District Act (Water Code Appendix Section 109-130 through 109-136)

WHEREAS, having reviewed and considered the determinations as outlined above, the Commission determines to establish the sphere of influence for the Metropolitan Water District of Southern California (San Bernardino County portion) as being coterminous with the sphere of influence of the Inland Empire Utilities Agency, a Municipal Water District, excluding an area of 4.81 acres, encompassing approximately 292 square miles.

NOW, THEREFORE, BE IT RESOLVED by the Local Agency Formation Commission for San Bernardino County, State of California, that this Commission shall consider the territory described in Exhibits "A" and "A-1" as being within the sphere of influence of the Metropolitan Water District of Southern California (San Bernardino County portion), it being fully understood that the adoption of such sphere of influence is a policy declaration of this Commission based on existing facts and circumstances which, although not readily changed, may be subject to review and change in the event a future significant change of circumstances so warrants.

THIS ACTION APPROVED AND ADOPTED by the Local Agency Formation Commission for San Bernardino County by the following vote:

AYES: COMMISSIONERS: Bagley, Cox, Curatalo, Lovingood, McCallon, Williams, Rutherford

NOES: COMMISSIONERS: None

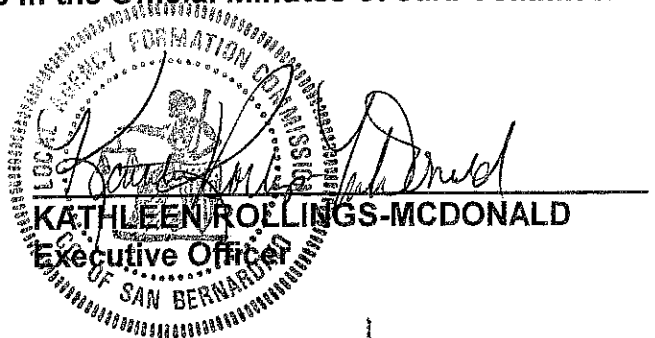
ABSENT: COMMISSIONERS: Ramos

\*\*\*\*\*

STATE OF CALIFORNIA )  
 ) ss.  
COUNTY OF SAN BERNARDINO )

I, KATHLEEN ROLLINGS-MCDONALD, Executive Officer of the Local Agency Formation Commission for San Bernardino County, California, do hereby certify this record to be a full, true, and correct copy of the action taken by said Commission by vote of the members present as the same appears in the Official Minutes of said Commission at its regular meeting of January 17, 2018.

DATED: January 17, 2018



KATHLEEN ROLLINGS-MCDONALD  
Executive Officer

## LAFCO 3222

Sphere of Influence Establishment for Metropolitan Water District of  
Southern California (within San Bernardino County)SPHERE OF INFLUENCE  
FOR

## CHINO BASIN MUNICIPAL WATER DISTRICT

All that property situated in the County of San Bernardino,  
State of California, described as follows:

Beginning at the Southeast corner of Section 35, Township 1  
South, Range 6 West, San Bernardino Meridian;

Thence Northerly along the East line of said Section 35, to  
an intersection with the South line of Section 25;

Thence Easterly along said South line and the South line of  
Section 30, Township 1 South, Range 5 West, San Bernardino Meri-  
dian, to an intersection with the East line of said Section 30;

Thence Northerly along said East line and the East line of  
Section 19 to an intersection with the South line of San Bernar-  
dino Avenue;

Thence Easterly along said South line, to an intersection  
with the East line of Alder Avenue;

Thence Northerly along said East line to an intersection with  
the South line of Section 16;

Thence Easterly along said South line, to an intersection  
with the East line of said Section 16;

Thence Northerly along said East line and the East line  
of Sections 9 and 4 and continuing Northerly along the East line  
of Section 33, Township 1 North, Range 5 West, San Bernardino  
Meridian, to an intersection with the North line of said Section  
33;

Thence Westerly along said North line and the North line of  
Sections 32 and 31, to an intersection with the Range line be-  
tween Townships 1 North, Range 5 West and Township 1 North, Range  
6 West, San Bernardino Meridian;

Thence Northerly along said Range line to an intersection  
with the East and West center line of Section 12, Township 1 North  
Range 6 West;

Thence Westerly along said center line to an intersection with the East line of Section 11;

Thence Northerly along said East line to an intersection with the South line of Section 2;

Thence Westerly along said South line to an intersection with the East line of Section 3;

Thence Northerly along said East line to an intersection with the East and West center line of said Section 3;

Thence Westerly along said center line to an intersection with the North and South center line of said Section 3;

Thence Northerly along said North and South center line and continuing Northerly along the North and South center line of Section 34, Township 2 North, Range 6 West, San Bernardino Meridian, to an intersection with the East and West center line of said Section 34;

Thence Westerly along said center line and the East and West center lines of Sections 33, 32, and 31 to an intersection with the East line of Section 36, Township 2 North, Range 7 West, San Bernardino Meridian;

Thence Northerly along said East line to an intersection with the North line of said Section 36;

Thence Westerly along said North line and the North line of Section 35, to an intersection with the East line of Section 27;

Thence Northerly along said East line and the East line of Section 22 to an intersection with the North line of said Section 22;

Thence Westerly along said North line to an intersection with the North and South center line of Section 15;

Thence Northerly along said center line to an intersection with the North line of said Section 15;

Thence Westerly along said North line to an intersection

with the East line of Section 9;

Thence Northerly along said East line, to an intersection with the North line of said Section 9;

Thence Westerly along said North line and the North line of Sections 8 and 7, to an intersection with the Westerly boundary of San Bernardino County;

Thence Southwesterly, Southeasterly, and Northeasterly along the boundaries of San Bernardino County and Los Angeles County; San Bernardino County and Orange County; and San Bernardino County and Riverside County, to the Point of Beginning.

Excepting therefrom the portion of the east half of Section 35, Township 1 South, Range 6 West, San Bernardino Meridian, lying in the City of Fontana, County of San Bernardino, State of California, described as follows:

**BEGINNING** AT THE INTERSECTION OF THE CENTERLINE OF BEECH AVENUE WITH THE CENTERLINE OF VILLAGE DRIVE EAST AS SHOWN BY TRACT NO. 13608 ON FILE IN BOOK 204 OF MAPS AT PAGES 27 THROUGH 32, INCLUSIVE THEREOF, RECORDS OF SAN BERNARDINO COUNTY, CALIFORNIA, SAID POINT BEING ON THE EAST LINE OF SAID SECTION 35 AND ON THE WEST BOUNDARY LINE OF SAN BERNARDINO VALLEY MUNICIPAL WATER DISTRICT;

1. **THENCE** SOUTH 00°30'55" WEST, ALONG THE EAST LINE OF SAID SECTION 35 AND SAID WEST BOUNDARY LINE OF SAN BERNARDINO VALLEY MUNICIPAL WATER DISTRICT, A DISTANCE OF 558.40 FEET, AS SHOWN BY SAID TRACT NO. 13608, TO THE WEST QUARTER CORNER OF SECTION 36, TOWNSHIP 1 SOUTH, RANGE 6 WEST, SAN BERNARDINO MERIDIAN;
2. **THENCE** SOUTH 01°00'56" EAST, ALONG THE EAST LINE OF SAID SECTION 35 AND SAID WEST BOUNDARY LINE OF SAN BERNARDINO VALLEY MUNICIPAL WATER DISTRICT, A DISTANCE OF 187.39 FEET TO A POINT ON THE SOUTHWESTERLY BOUNDARY LINE OF TRACT NO. 15921 AS SHOWN BY MAP ON FILE IN BOOK 290 OF MAPS AT PAGES 76 THROUGH 78, INCLUSIVE THEREOF, RECORDS OF SAN BERNARDINO COUNTY, CALIFORNIA;
3. **THENCE** NORTH 63°25'00" WEST, ALONG SAID BOUNDARY LINE OF TRACT NO. 15921, A DISTANCE OF 133.30 FEET TO AN ANGLE POINT;
4. **THENCE** NORTH 43°23'36" WEST, ALONG SAID BOUNDARY LINE OF TRACT NO. 15921, A DISTANCE OF 86.81 FEET TO AN ANGLE POINT;
5. **THENCE** NORTH 17°09'06" WEST, ALONG SAID BOUNDARY LINE OF TRACT NO. 15921, A DISTANCE OF 169.33 FEET TO AN ANGLE POINT;

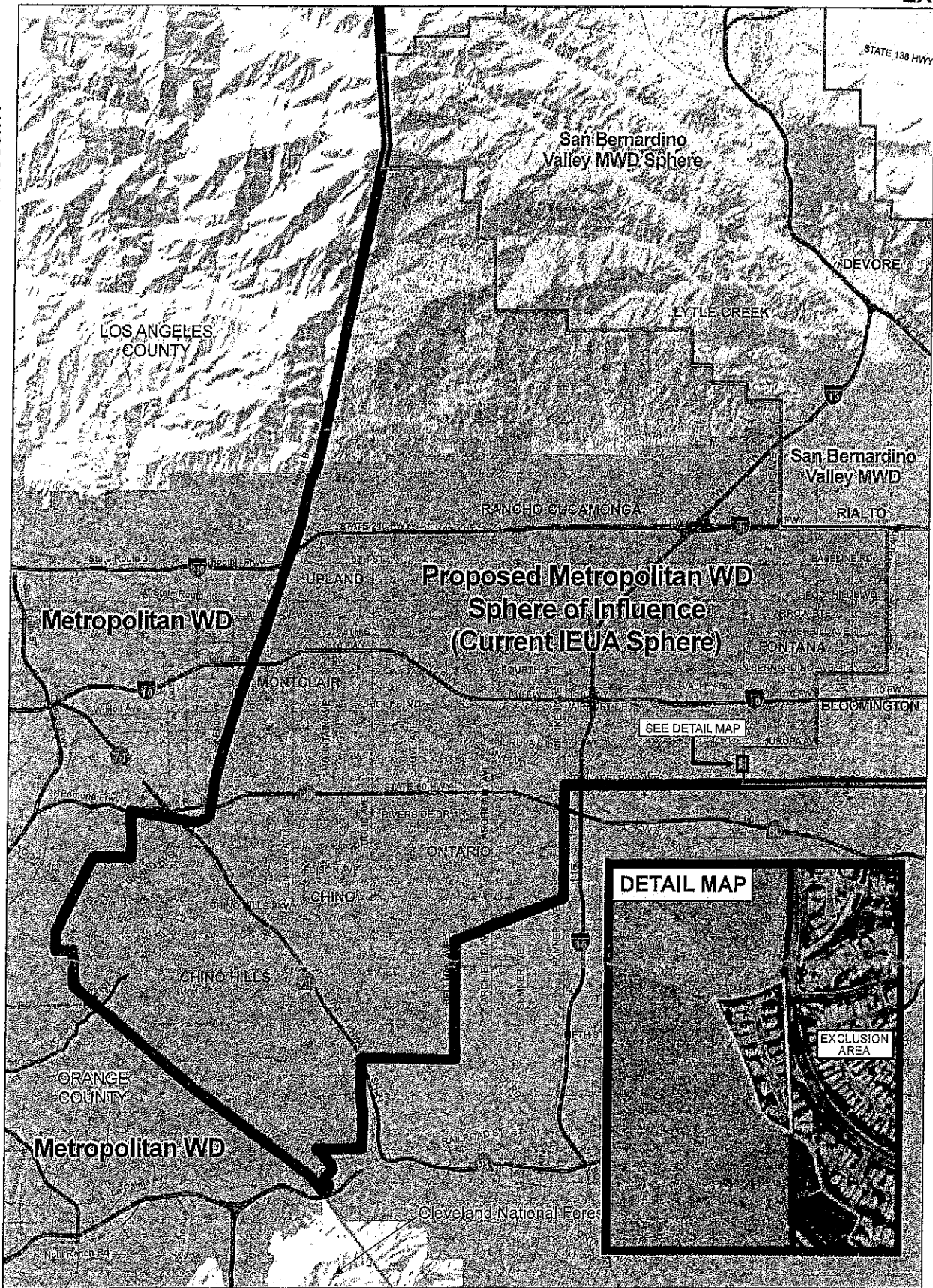
6. **THENCE** NORTH 22°05'00" WEST, ALONG SAID BOUNDARY LINE OF TRACT NO. 15921, A DISTANCE OF 275.33 FEET TO AN ANGLE POINT;
7. **THENCE** NORTH 25°38'50" WEST, ALONG SAID BOUNDARY LINE OF TRACT NO. 15921, A DISTANCE OF 225.06 FEET TO A POINT OF CUSP WITH A CURVE, CONCAVE NORTHERLY, HAVING A RADIUS OF 537.50 FEET, A RADIAL LINE AT SAID POINT OF CUSP BEARS NORTH 04°36'08" EAST;
8. **THENCE** EASTERLY, ALONG SAID CURVE AND SAID BOUNDARY LINE OF TRACT NO. 15921, THROUGH A CENTRAL ANGLE OF 20°22'11", AN ARC DISTANCE OF 191.09 FEET TO AN ANGLE POINT, A RADIAL LINE AT SAID ANGLE POINT BEARS NORTH 15°46'03" WEST;
9. **THENCE** SOUTH 15°44'32" EAST, ALONG SAID BOUNDARY LINE OF TRACT NO. 15921, A DISTANCE OF 6.00 FEET TO THE BEGINNING OF A NON-TANGENT CURVE, CONCAVE NORTHERLY, HAVING A RADIUS OF 543.50 FEET, A RADIAL LINE AT SAID POINT BEARS NORTH 15°44'32" WEST;
10. **THENCE** NORTHEASTERLY, ALONG SAID CURVE AND SAID BOUNDARY LINE OF TRACT NO. 15921, THROUGH A CENTRAL ANGLE OF 05°58'49", AN ARC DISTANCE OF 56.73 FEET TO A POINT OF COMPOUND CURVATURE WITH A CURVE, CONCAVE NORTHERLY, HAVING A RADIUS OF 1043.50 FEET, A RADIAL LINE AT SAID POINT BEARS NORTH 21°43'21" WEST;
11. **THENCE** NORTHEASTERLY, ALONG SAID CURVE AND SAID BOUNDARY LINE OF TRACT NO. 15921, THROUGH A CENTRAL ANGLE OF 08°54'31", AN ARC DISTANCE OF 162.25 FEET TO THE MOST NORTHERLY CORNER OF SAID TRACT NO. 15921, A RADIAL LINE AT SAID POINT BEARS NORTH 30°37'52" WEST;
12. **THENCE** NORTH 89°58'19" EAST, A DISTANCE OF 42.32 FEET TO THE EAST LINE OF SAID SECTION 35 AND THE WEST BOUNDARY LINE OF SAN BERNARDINO VALLEY MUNICIPAL WATER DISTRICT;
13. **THENCE** SOUTH 00°30'55" WEST, ALONG THE EAST LINE OF SAID SECTION 35 AND THE WEST BOUNDARY LINE OF SAN BERNARDINO VALLEY MUNICIPAL WATER DISTRICT, A DISTANCE OF 99.27 FEET TO THE **POINT OF BEGINNING**.

Exclusion area containing 4.81 acres, more or less.

Sphere of Influence area for Metropolitan Water District of Southern California within San Bernardino County containing 292 square miles, more or less.

FOR QUESTIONS REGARDING THIS MAP OR TO OBTAIN A COPY OF THIS MAP IN ELECTRONIC FORM, PLEASE CONTACT LAFCO FOR SAN BERNARDINO COUNTY

FOR QUESTIONS REGARDING THIS MAP OR TO OBTAIN A COPY OF THIS MAP IN ELECTRONIC FORM, PLEASE CONTACT LAFCO FOR SAN BERNARDINO COUNTY








**LAFCO 3222 - Sphere of Influence Establishment for the Metropolitan Water District of Southern California (within San Bernardino County)**



Map Created: 1/4/2018



-  Metropolitan Water District Boundary
-  Proposed Metropolitan Water District Sphere of Influence within San Bernardino County (Current IEUA Sphere)
-  San Bernardino Valley Municipal Water District Boundary
-  San Bernardino Valley Municipal Water District Sphere of Influence
-  County Line



**Agenda Item No. 6A**

**Item Title: Chino Basin Water Conservation District – Groundwater Replenishment Project**

**Purpose:**

To present a project by the Chino Basin Water Conservation District (CBWCD) to develop a groundwater replenishment project.

**Issue:**

The CBWCD Board approved a preliminary deposit in anticipation of funding the purchase of a site to develop groundwater replenishment.

**Manager's Recommendation:**

That the Board receive and file the report and provide comments as appropriate regarding staff's review on the ongoing efforts towards its development.

**Background:**

Staff was approached by the Executive Director, Mr. Steve Sentes to review the viability of the CBWCD's proposed development of a groundwater replenishment project located at the confluence of the San Antonio Creek and Chino Creek in Chino Basin. A hydro geologic study was prepared to determine the feasibility of



acquiring the site for the potential development of a water basin project.

The project site is uniquely located at the confluence of the San Antonio Creek and Chino Creek and is being explored by the CBWCD to divert flows that would normally be lost out of Chino Basin from the two creeks into a recharge basin.

CBWCD budgeted \$4.5 million in expenditures for the purchase of property and \$500,000 in expenditures for site analysis and related cost as attached in the January 8, 2018 CBWCD Board report.

Although there are some challenges, staff is encouraged in the proposed development of the basin that may prove to be a viable project in the Chino Basin.

February 20, 2018

Staff presented the project to the PROC on January 23, 2018. This project is in the initial stages and does not have sufficient information to prove its viability but is worth the effort in studying the development. The PROC was advised that staff had provided the initial assessment to the Executive Director with CBWCD and would provide review as necessary. The Committee recommended the project be presented to the Board to receive and file.

Previous Actions:

None.

Impact on the Budget:

None.

**Agenda Item No. 6B**

Item Title: American Leak Detection

Purpose:

To present a proposal to partner with American Leak Detection with ongoing Leak Detection and Repair program and to introduce a proposed pilot to install Flo Device for targeted high domestic water users.

Issue:

American Leak Detection (ALD) is a local leak detection and repair specialist company that provides outdoor and indoor leak detection and leak repair services. Staff met with the sales agent and one of their Board Members at their corporate headquarters in Palm Springs. A video conference call with their CEO in Connecticut was held to discuss how they can work with the Water Company in designing a partnership to better help our shareholders use their water wisely.

The PROC on January 23, 2018 recommended approving ALD for the Company's Leak Detection and Repair program but deferred the pilot program for the Flo Device to be presented to the full Board.

Manager's Recommendation:

That the Board approve the PROC recommendation to utilize ALD for the current Leak Detection and Repair program and that the Board provide comments and consideration for implementing a pilot program to install a Flo monitoring device to record flows and potential indoor leaks for customers that participate in the Leak Detection and Repair program.

Background:

In March of 2017, Staff introduced the Customer Leak Detection Program as a pro-active response to assist shareholders in the domestic area in identifying and repairing leaks on their property. This helps to mitigate over use of entitlements as the Water Company entered into the Moderate Shortage Stage restrictions and lower entitlements.

With the ability of the current meters with "data loggers" to identify abnormal usage within a 24-hour period indicative of a leak, staff is able to apprise the customer that they may have a leak in their system. In moving beyond advising the shareholder of a leak, the Water Company in association with Mitchell's Plumbing offered to find the leak and make associated repairs and contribute to the cost of 50% of the repair up to \$500. Since that time, Mitchell's Plumbing advised that they no longer provided the service. The Water Company has attempted to work with several local plumbers however, that has not proved successful in providing timely, quality work that results in shareholder satisfaction.

Staff presented the need for a qualified company that can provide timely, quality work that they stand behind to work with the Water Company in designing a partnership to better help our shareholders use their water wisely.

American Leak Detection (ALD) has partnered with Flo Technologies as a preferred reseller of a Flo device that monitors all water flowing into the home and is installed on a customer main water supply line. When abnormalities are detected, the Flo device sends alerts to phone via texts, emails or phone calls an App to call ALD or ability to remotely turn of the water supply. ALD stated that they have installed 50 Flo devices across the states.

ALD has offered to participate in a pilot program with the Water Company to provide our shareholders with this device. The cost for the Flo device per unit is \$399 (discounted) +\$125 for installation (not including required electrical work). They have set aside 12 units for the pilot program. Estimated cost per home: \$649. It may be a good opportunity to offer this program to customers that participate in the Water Company's Leak Detection and Repair program.

The PROC recommended the Board approve using ALD in the current Leak Detection and Repair Program and if approved by the Board, that the Flo Device be installed for customers participating in the current Leak Detection and Repair program if they would commit to funding the installation.

It was discussed that this device may be suitable for technology rich homes and that there may be a limited group of customers that would be willing to participate in this pilot program to use this new technology to its fullest extent. If the pilot proves successful, the Water Company could seek grants to have the units installed for our shareholders that have issues with water losses or partner with Chino Basin Water Conservation District as part of water conservation Best Management Practices.

Additional to the pilot program, Staff will partner with American Leak Detection in continuing to improve our leak detection and repair program as a successful model for adjacent communities. Their cost for this service is \$250 for 2 hours + \$125/hour for additional work. Current policy is that the Water Company will pay for the leak detection and match 50% of the cost of repair up to \$500.

Impact on the Budget:

CY2018 Water Conservation Budget: \$30,000

Previous Actions:

Approved the current Leak Detection and Repair Program in March 2014.

## AMERICAN LEAK DETECTION AND FLO TECHNOLOGIES PARTNER TO BRING END-TO-END SOLUTION TO RESIDENTIAL WATER LEAKS

*Smart home leak detection system helps prevent \$9 billion in damages using advanced and proactive technology and machine learning while saving on insurance and utility bills*

**Los Angeles – January 7, 2018** – American Leak Detection (ALD), America’s leading and most respected pin-point leak detection specialist company and subsidiary of Water Intelligence plc (AIM: WATR.L), a leading provider of precision, minimally-invasive leak detection and remediation solutions for residential, commercial and municipal customers across the U.S., UK, Australia and Canada, has today announced a strategic partnership with Flo Technologies, Inc. to provide distribution, pin-point leak detection and repair capabilities for its Flo smart home water security and conservation system.

Available in February 2018 priced at \$499, Flo is a proprietary water monitoring and shut-off system and first device on the market to sense water flow rate, temperature **AND** pressure as well as use machine learning to help identify and prevent major leaks before they occur. Its partnership with ALD provides Flo with the ability to offer customers installation and repair capabilities when issues are detected, making it the first end-to-end solution for home leak detection, able to prevent, detect and repair faulty plumbing all while saving money and the environment.

The combination of technology and services provided between ALD and Flo Technologies is a first for the industry. ALD and Flo Technologies will be partnering to offer consumers and insurance providers a one stop capability for the purchase and installation of Flo with proactive maintenance of home water systems. This formula has the exciting potential to drastically reduce the \$9 billion of loss in the U.S. resulting from water damage, while saving billions of gallons of water.

“We are excited to partner with Flo Technologies to take our Group’s range of minimally invasive technology solutions to the home market with Flo, and to be Flo’s exclusive service partner for pin-point leak detection. Our strategic vision is to shape the future of residential engagement with water loss – an objective shared by the insurance industry and one that our business-to-business channel initiated in a focused way last year,” commented the Chairman of Water Intelligence, Dr. Patrick DeSouza.

“We have developed Flo to be the most advanced home water security and conservation system on the market and the fact that ALD, the most respected name in the business, has chosen to exclusively partner with us is a huge validation of our system,” said Gabriel Halimi, CEO and Co-founder of Flo Technologies. “Through ALD’s network of over 1,000 plumbers servicing over 200,000 homes, Flo has a readymade footprint from which to expand and can offer complimentary services to ALD, resulting in earlier detection to homes across America, Canada, Australia and the UK.”

Flo’s technology and approach differs from other systems in the following ways:

- **Preventative Technology** – Most systems use point moisture sensors or basic water metering technology limited to flow to detect leaks after-the-fact, while Flo measures all vital characteristics in real-time, including water pressure, temperature and flow rates in the water system to detect vulnerabilities and prevent damage.
- **Multi-Sensor Approach** – Flo is the only system to monitor water pressure, which is both a cause of damage and the only way to accurately detect leaks as small as a drop or two per minute.

- **Learning Algorithms** – FloSense™ machine learning technology personalizes Flo’s conservation and security monitoring to the individual home.
- **Proactive System-wide** – Unlike a multitude of individual point moisture sensors that have to be placed in perceived trouble areas, a single Flo device works throughout the home. Its Microleak™ technology proactively checks for the smallest vulnerabilities anywhere in the home water system.
- **Water Shut-off** – If something critical happens, Flo can alert users and stop the water with or without their input. Shut-off can be automatic or enabled remotely after an alert.
- **Visible & Invisible Waste** – Can detect visible water wastage such as toilets running as well as invisible ones like leaks behind the wall.
- **Repair Diagnostics** – Flo can connect users to plumbing professionals while providing plumbers advanced diagnostics of potential problems – saving time and money.
- **Conservation** – Flo continually learns and shows usage patterns in real-time. Users can check their current water usage, compare historical patterns, and set and monitor conservation goals.
- **Insurance Discounts** – Insurance companies are already offering discounts on premiums making Flo self-funding over time. Some users are already receiving a \$700 discount on annual premiums.

“With 13 percent of a home’s water lost to leaks and \$9 billion paid out in water damage each year, Flo is a game-changer for the home. Rather than waiting for a water catastrophe to strike, Flo proactively monitors the water system to find vulnerabilities before they cause damage,” said Halimi. “After nearly 10 years of development, we are excited to bring Flo to homes across America and proud of its potential to make an impact on our users, plumbing professionals and insurance companies as well as our most precious resource, water.”

Flo is available for purchase now on its website and will begin shipping in February. Priced at \$499, Flo is cheaper than other systems despite offering vastly more features. Flo will also be available nationwide through its partnership with American Leak Detection, which will also be selling and installing Flo throughout its North America network. For further information visit [www.meetflo.com](http://www.meetflo.com)

-ends-

**American Leak Detection Contact**

Lisa Keeton  
 VP, Sales and Insurance Partnerships  
[lkeeton@americanleakdetection.com](mailto:lkeeton@americanleakdetection.com)  
 (760)-399-7187

**Flo Technologies Contact**

Ian Twinn / Tandem Marketing Communications  
[iantwinn@tandemcomms.com](mailto:iantwinn@tandemcomms.com)  
 (917) 306-7270

**About Flo Technologies, Inc.**

Founded in 2015, Flo Technologies, Inc. is a family company providing innovative and accessible technology solutions that enable and transform the control and conservation of water at home. Flo Technologies has raised more than \$11 million through a Series A funding round led by leading VC firm Crosslink Capital, with participation from Anthemis Group and an affiliate of USAA, a financial services provider. The company’s first product, Flo, is a home water monitoring and shut-off system and the first device on the market to sense water pressure, flow rate and temperature while using machine learning to learn homeowner’s usage patterns. For further information visit [www.meetflo.com](http://www.meetflo.com)

**About American Leak Detection**

American Leak Detection (ALD), is the world’s leading specialty leak detection services company with operations in the US, Canada, Australia and Belgium. A subsidiary of Water Intelligence PLC (LON: WATR), it operates a network of over 1,000 plumbers in the U.S. and serves over 200,000 homes, a number that continues to grow year over year. ALD has a national channel structure for insurance companies that provides pin-point leak detection and repair services to minimize potential home-owner damages across the United States. For further information visit [www.americanleakdetection.com](http://www.americanleakdetection.com)

# Technical specifications

## Requirements



Accessible main water supply line for installation



Main water supply line must be 1 1/4 inch or smaller



Standard power outlet



Smart Phone (iPhone or Android)



Home Wi-Fi

## In Box



- Flo device
- Spacer
- Hex key & instruction card
- Spare O-Rings
- Power supply
- QR code card
- Threaded brass tail pieces
- Installation guides

## Accessories

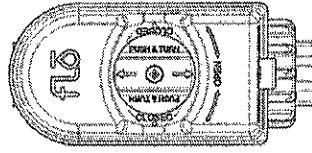
(Available for purchase)

- Extension cable
- Wi-Fi range extender
- Solder brass tail pieces
- O-Rings x2
- Easy install elbows x2
- Polymer union nuts x2
- Brass tail pieces x2

## Features

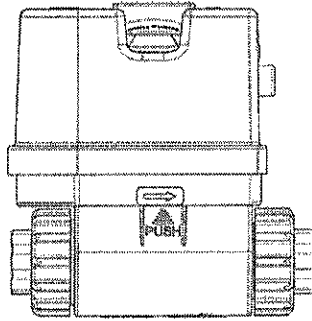
- 3/4 inch actuated full-port ball valve, with remote and automatic shutoff capability
- Turbine flowmeter, pressure transducer, and temperature sensor
- Proactive 24/7 monitoring with preventative alerts to avoid catastrophic failures
- Micro-leak detection to promote maintenance, saving money and water
- Minimal operating torque
- Corrosion-resistant materials
- Patented designs optimized to be cost-effective with high performance
- Configurable alarm and notification settings
- Mobile App with real time notification and water usage analysis
- Highly secure communications via digital certificate encryption
- House behavioral learning logic to automatically adjust alerts thresholds

## Dimensions



2.60in / 66.0mm

5.75in / 146.0mm



5.90in / 149.9mm

## Sensors

Sensors	Sensing Range
Water Pressure	0 to 150 psi
Water Temperature	32°F to 180°F
Water Flow Rate	0.3 gpm to 16 gpm

\*The Flo device is certified for use on cold water service lines only.

## Certifications

### Plumbing

- NSF/ANSI 61 - Drinking Water System Components – Health Effects
- NSF/ANSI 372 – Drinking Water System Components – Lead Content
- IAPMO IGC-349-2017 Electronic Plumbing System Integrity Protection Devices (Flo Standard)
- Uniform Plumbing Code (UPC)
- International Plumbing Code (IPC)

### Electrical

- ANSI/UL 1951

### Communications

- FCC compliance per CFR 47 Part 15

## Warranty

Flo warrants that the product will be free from defects in materials and workmanship for a period of one (1) year from the date of delivery following the original retail purchase (collectively, the "Warranty Period").



**Pipe Size** Flo currently installs on ½ inch up to 1¼ inch pipe diameter. Please contact Flo Support (support@meetflo.com) for line sizes larger than ¾ inch.

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**Power Consumption** Powered via plug-in AC to DC wall transformer  
Power Supply: 12 VDC via 100-240V – 50/60 Hz switching type

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**Voltage Requirements** Power adapter that can take 100-240V, and then outputs 12V into the Flo device.

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**Connectivity Requirements** WiFi Connectivity

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**Wireless** Communication: Wi-Fi@ IEEE 802.11bgn, 2.4 GHz frequency  
Firewall note: Port 8883, 8884, 8001 and 8000 must be open

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**Mobile Application** iOS and Android compatible

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**Operating Conditions**

- International Protection Marking IPx5 Rating
- Min Temperature: 0°C / 32°F
- Max Temperature: 50°C / 122°F
- Maximum ambient temperature: 140°F
- Water Resistant

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**Data Transmission** Real-time (approximately once per second)

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**User Portal** user.meetflo.com

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**Support Articles & Troubleshooting** www.meetflo.com/support

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**Agenda Item No. 6C**

**Item Title: Entitlement Transfers**

**Purpose:**

To reconcile water deliveries and remaining entitlement transfers at the end of the calendar year with respect to Service Agreements for the City of Upland, City of Ontario and Monte Vista Water District (MVWD).

**Issue:**

That the Water Company has sufficient water stored in Chino Basin unused production allowance to accommodate remaining entitlement delivery for CY2017 via water transfers from its storage accounts pursuant to existing Water Service Agreements with the City of Upland, the City of Ontario and MVWD.

Transfers will be made only from supplemental water recharged in the same calendar year that was not delivered.

**Manager's Recommendation:**

That the Board agree with the PROC recommendation to approve the transfers as presented.

**Background:**

New Water Service Agreements were established and in effect on July 1, 2017 for the City of Upland, the City of Ontario and Monte Vista Water District to deliver their respective entitlements with any remaining entitlements transferred from one of the Water Company's water storage accounts in shared groundwater basins if available. Transfers will be made only from the Water Company's supplemental account of water that was recharged in CY2017.

In CY2017, the Water Company delivered water to Monte Vista Water District (MVWD) through a "wheeling" arrangement with the City of Upland pursuant to their respective entitlement. A breakdown of entitlement and actual water delivery is as shown below:

Share holder	Annual Entitlement (AF)	Adjusted Entitlement (AF)	Water Delivered (AF)	Previous Transfers (AF)	Chino Basin Transfer (AF)	Six Basin Transfer (AF)
Upland	7,801.694*	0	8,359.896	0	0	0
MVWD	569.170	0	585.545	0	0	0
Ontario	516.694		454.60		62.086	

\*Includes UHGC shares per City agreement.

In CY2017, the Water Company facilitated full entitlement delivery for the City of Upland and MVWD. The remaining water 62.086 AF entitlement delivery for the City of Ontario is calculated above for transfer from the Water Company's

supplemental water account in Chino Basin. The City of Ontario has agreed to purchase their remaining entitlement at the Water Company's base rate.

(Note that end of the year transfers of remaining entitlement is only available if the Water Company recharges water into Chino Basin to accommodate such transfers. The Water Company recharged 1,025.943 AF into Chino Basin in the 2017 Calendar year.)

Additional note presented to the PROC and to the Board to acknowledge:

1. The Water Service Agreements does not allow delivery of more than their annual entitlement; however, the Water Company delivered 467.798AF over and above the City of Upland's entitlement that was paid at the base rate and 8.474AF to MVWD.

This administrative error was on the Water Company's part and was due to a variety of reasons.

1. There was a mid- year change in entitlements
2. The Water Company sold stored water out of Chino Basin to Upland, Ontario and MVWD.
3. The Water Service Agreements went into effect on July 1, 2017.
4. The City of Upland's supplemental use paid at the supplemental rate requested that that amount not be included in the City's entitlement calculation per the WSA.
5. The City of Upland's City Well 15 showed under the Water Company's rights in Cucamonga Basin for the first six months requested the amount be credited to the City of Upland's rights instead because the Well was down for the remainder of the year and unable to utilize their rights.

Previous Actions:

None.

Impact on the Budget:

Increased revenue  $62.086 \text{ AF} \times \$296/\text{AF} = \$18,377.46$ .

**Agenda Item No. 6E**

Item Title: SBCTA I-10 Corridor Project

Purpose:

To approve the Utility Agreement with the San Bernardino County Transportation Authority (SBCTA) for the active protection of the Water Company's facility within the scope of work for the I-10 Corridor project.

Issue:

The proposed work to widen I-10 Freeway by SBCTA has potential conflicts with the Water Company's underground pipeline facilities on the south side of the freeway at Council Avenue in Ontario.

The Agreement provides that SBCTA relocate any interfering waterlines as a result of their project at their expense and/or to protect the facilities in place. This includes review and approval of their proposed plan around the Water Company's facility.

Manager's Recommendation:

That the Board approve the Utility Agreement for the SBCTA I-10 Corridor Project as approved as to form by legal counsel.

Background:

Prior to the end of last year, staff met with the engineering consultant (HNTB) for the State of California Department of Transportation /San Bernardino County Transportation Authority to coordinate pipeline conflicts with the proposed project. The project will potentially impact portions of the Water Company's pipeline crossing east of 6<sup>th</sup> Street in Ontario from the Company's Well 12 site on 6<sup>th</sup> Street north of the freeway to the Company's site on Council Avenue on the south side.

The project advertised for Design/Build contractor in December 2017. Staff anticipates the selected contractor will develop plans with respect to the Water Company's facility for review in and around the April 2018 timeframe. Due to prior rights, any waterline relocation project will be at no cost to the Water Company and Company will be reimbursed for plan check and construction inspection based on the current established Company fees and charges.

During recent discussions with SBCTA, staff discovered it's more than likely most of the work will be on the freeway side and *will not* require utility relocation but will be more of protect in place. Staff populated an excel spreadsheet to determine approximate cost for plan review and inspection. This cost is included in the Utility Agreement attached to this report. The agreement was submitted to legal counsel to "approved as to form."

Previous Actions:

February 20, 2018

None.

Impact on the Budget:

None.

Item 6E

**SAN BERNARDINO COUNTY TRANSPORTATION AUTHORITY  
UTILITY AGREEMENT**

DISTRICT 08	COUNTY San Bernardino	ROUTE I-10	POST MILE 0.0-R13.2	EA 08-0C251	PROJECT ID 081600007
FEDERAL AID NUMBER			OWNER'S PLAN NUMBER		

FEDERAL PARTICIPATION  
 On the project  YES  NO  
 On the Utilities  YES  NO

**UTILITY AGREEMENT NO. 24445-1** **DATE**

The San Bernardino County Transportation Authority (SBCTA) in cooperation with Caltrans, proposes to improve the Interstate 10 (I-10) between Los Angeles/San Bernardino County Line and Interstate 15 by converting the high occupancy vehicle lanes in each direction to tolled express lanes and the addition of one tolled express lane in each direction. Additionally, the proposed improvements include the reconfiguration of interchanges, intersection widenings and re-striping of various locations along this corridor. The California Department of Transportation and San Bernardino County Transportation Authority (State/SBCTA) have entered into Cooperative Agreement Number 08-1645 relating to the Project under which State will provide Project oversight and upon completion of the Project.

**San Antonio Water Company**

Hereinafter referred to as "OWNER", owns and maintains the following (the "Utility Facilities"):

10" Steel waterline crossing within an 18" casing crossing I-10 Freeway east of Sixth Street at Council Avenue on the south side including an 8" waterline traversing parallel to the freeway from Council Avenue west to San Antonio Avenue

within the limits of the SBCTA Project which requires

- Active Protect in Place

to accommodate SBCTA's Project.

It is hereby mutually agreed between SBCTA and OWNER as follows:

**I. WORK TO BE DONE**

In accordance with Notice to Owner No. 24445-1 dated February 20, 2018, SBCTA shall relocate OWNER's Utility Facilities as shown on SBCTA's contract plans for the improvement of State Interstate 10, EA 08-0C251 which by this reference are made a part hereof. OWNER hereby acknowledges review of SBCTA's plans for work and agrees to the construction in the manner proposed. Deviations from the plan described above initiated by either SBCTA or the OWNER, shall be agreed upon by both parties hereto under a Revised Notice to Owner. Such Revised Notices to Owner, approved by SBCTA and agreed to/acknowledged by the OWNER, will constitute an approved revision of the plan described above and are hereby made a part hereof. No work under said deviation shall commence prior to written execution by the OWNER of the Revised Notice to Owner. Changes in the scope of the work will require an amendment to this Agreement in addition to the revised Notice to Owner. OWNER shall have the right to inspect the work during construction. Upon completion of the work by SBCTA, OWNER agrees to accept ownership and maintenance of the constructed facilities and relinquishes to SBCTA

UTILITY AGREEMENT NO. 24445-1
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ownership of the replaced facilities, except in the case of liability determined pursuant to Water Code 7034 or 7035.

**II. LIABILITY FOR WORK**

The existing facilities are lawfully maintained in their present location and qualify for relocation at SBCTA expense under the provisions of Section 703 of the Streets and Highways Code.

**III. PERFORMANCE OF WORK**

OWNER shall have access to all phases of the relocation work to be performed by SBCTA, as described in Section I above, for the purpose of inspection to ensure that the work is in accordance with the specifications contained in the Highway Design-Build Contract; however, all questions regarding the work being performed will be directed to SBCTA's Resident Engineer for their evaluation and final disposition.

Use of out-of-state personnel (or personnel requiring lodging and meal "per diem" expenses) will not be allowed without prior written authorization by SBCTA's representative. Requests for such authorization must be contained in OWNER's estimate of actual and necessary relocation costs. Accounting Form FA-1301 is to be completed and submitted for all non-State personnel travel per diem. OWNER shall include an explanation why local employee or contract labor is not considered adequate for the relocation work proposed. Per Diem expenses shall not exceed the per diem expense amounts allowed under the State's California Department of Human Resources (CalHR) travel expense guidelines.

Work performed directly by Owner's employees falls within the exception of Labor Code Section 1720(a)(1) and does not constitute a public work under Section 1720(a)(2) and is not subject to prevailing wages. OWNER shall verify compliance with this requirement in the administration of its contracts referenced above.

**IV. PAYMENT FOR WORK**

SBCTA shall pay its share of the actual and necessary cost of the herein described work within 45 days after receipt of OWNER's itemized bill, signed by a responsible official of OWNER's organization and prepared on OWNER's letterhead, compiled on the basis of the actual and necessary cost and expense. The OWNER shall maintain records of the actual costs incurred and charged or allocated to the project in accordance with recognized accounting principles.

It is understood and agreed that SBCTA will not pay for any betterment or increase in capacity of OWNER's facilities in the new location and that OWNER shall give credit to SBCTA for the accrued depreciation of the replaced facilities and for the salvage value of any material or parts salvaged and retained or sold by OWNER.

Not more frequently than once a month, but at least quarterly, OWNER will prepare and submit itemized progress bills for costs incurred not to exceed OWNER's recorded costs as of the billing date less estimated credits applicable to completed work. Payment of progress bills not to exceed the amount of this Agreement may be made under the terms of this



UTILITY AGREEMENT NO.  
24445-1

Agreement. Payment of progress bills which exceed the amount of this Agreement may be made after receipt and approval by SBCTA of documentation supporting the cost increase and after an Amendment to this Agreement has been executed by the parties to this Agreement.

The OWNER shall submit a final bill to SBCTA within 360 days after the completion of the work described in Section I above. If SBCTA has not received a final bill within 360 days after notification of completion of OWNER's work described in Section I of this Agreement, and SBCTA has delivered to OWNER fully executed easement deeds, Consents to Common Use or Joint Use Agreements for OWNER's facilities (if required), SBCTA will provide written notification to OWNER of its intent to close its file within 30 days. OWNER hereby acknowledges, to the extent allowed by law, that all remaining costs will be deemed to have been abandoned. If SBCTA processes a final bill for payment more than 360 days after notification of completion of OWNER's work, payment of the late bill may be subject to allocation and/or approval by SBCTA.

The final billing shall be in the form of an itemized statement of the total costs charged to the project, less the credits provided for in this Agreement, and less any amounts covered by progress billings. However, SBCTA shall not pay final bills which exceed the estimated cost of this Agreement without documentation of the reason for the increase of said cost from the OWNER and approval of documentation by SBCTA. Except, if the final bill exceeds the OWNER's estimated costs solely as the result of a revised Notice to Owner as provided for in Section I, a copy of said revised Notice to Owner shall suffice as documentation. In either case, payment of the amount over the estimated cost of this Agreement may be subject to allocation and/or approval by SBCTA.

In any event if the final bill exceeds 125% of the estimated cost of this Agreement, an Amended Agreement shall be executed by the parties to this Agreement prior to the payment of the OWNER's final bill. Any and all increases in costs that are the direct result of deviations from the work described in Section I of this Agreement shall have the prior concurrence of SBCTA.

Detailed records from which the billing is compiled shall be retained by the OWNER for a period of three years from the date of the final payment and will be available for audit by SBCTA, State and/or Federal auditors. In performing work under this Agreement, OWNER agrees to comply with the Uniform System of Accounts for Public Utilities found at 18 CFR, Parts 101, 201, et al., to the extent they are applicable to OWNER doing work on the project that is the subject of this agreement, the contract cost principles and procedures as set forth in 48 CFR, Chapter 1, Part 31, et seq., 23 CFR, Chapter 1, Part 645 and 2 CFR, Part 200, et al. If a subsequent SBCTA, State and/or Federal audit determines payments to be unallowable, OWNER agrees to reimburse SBCTA upon receipt of SBCTA billing. If OWNER is subject to repayment due to failure by SBCTA to comply with applicable laws, regulations, and ordinances, then SBCTA will ensure that OWNER is compensated for actual cost in performing work under this agreement.

UTILITY AGREEMENT NO. 24445-1
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**V. GENERAL CONDITIONS**

All costs accrued by OWNER as a result of SBCTA's request of 8/9/2017 to review, study and/or prepare relocation plans and estimates for the project associated with this Agreement may be billed pursuant to the terms and conditions of this Agreement.

If SBCTA's project which precipitated this Agreement is canceled or modified so as to eliminate the necessity of work by OWNER, SBCTA will notify OWNER in writing and SBCTA reserves the right to terminate this Agreement by Amendment. The Amendment shall provide mutually acceptable terms and conditions for terminating the Agreement.

OWNER shall submit a Notice of Completion to SBCTA within 30 days of the completion of the work described herein.

It is understood that said highway is a Federal aid highway and accordingly, 23 CFR, Chapter 1, Part 645 is hereby incorporated into this Agreement.

In addition, the provisions of 23 CFR 635.410, Buy America, are also incorporated into this agreement. The Buy America requirements are further specified in Moving Ahead for Progress in the 21st Century (MAP-21), section 1518; 23 CFR 635.410 requires that all manufacturing processes have occurred in the United States for steel and iron products (including the application of coatings) installed on a project receiving funding from the FHWA.

If, in connection with OWNER's performance of the Work hereunder, SBCTA provides to OWNER any materials that are subject to the Buy America Rule, SBCTA acknowledges and agrees that SBCTA shall be solely responsible for satisfying any and all requirements relative to the Buy America Rule concerning the materials thus provided (including, but not limited to, ensuring and certifying that said materials comply with the requirements of the Buy America Rule).

SBCTA further acknowledges that OWNER, in complying with the Buy America Rule, is expressly relying upon the instructions and guidance (collectively, "Guidance") issued by Caltrans and its representatives concerning the Buy America Rule requirements for utility relocations within the State of California. Notwithstanding any provision herein to the contrary, OWNER shall not be deemed in breach of this Agreement for any violations of the Buy America Rule if OWNER's actions are in compliance with the Guidance.

THE ESTIMATED COST TO SBCTA FOR THE ABOVE DESCRIBED WORK IS \$5,000.

**Signatures on Following Page**

UTILITY AGREEMENT NO.  
24445-1

**SIGNATURE PAGE  
TO  
UTILITY AGREEMENT NO.  
24445-1**

IN WITNESS WHEREOF, the above parties have executed this Agreement on the dates below.

Owner:  
**SAN ANTONIO WATER COMPANY**

**SAN BERNARDINO COUNTY  
TRANSPORTATION AUTHORITY,  
a public entity**

APPROVED

APPROVED

By: \_\_\_\_\_  
Title: Tom Thomas, President  
San Antonio Water Company


By: \_\_\_\_\_  
Paula Beauchamp  
Director of Project Delivery

Date: \_\_\_\_\_

Date: \_\_\_\_\_

APPROVED AS TO FORM:

APPROVED AS TO FORM:

By:   
Title: Thomas McPeters,  
Legal Counsel

By: \_\_\_\_\_  
General Counsel

Date: 2/6/18

Date: \_\_\_\_\_



**Agenda Item No. 6F**

Item Title: Executive Recruitment

Purpose:

To provide options for the Board to consider for replacing the Executive position that will be vacated on June 29, 2018.

Issue:

The General Manager's (GM) contract expires on June 30, 2018. On July 17, 2017, the Board announced that the GM contract will remain unchanged until it expires on June 30, 2018 at which time they will bring in a new General Manager.

As such, the Board will need to select a process and timeline for replacing the GM position.

Manager's Recommendation:

That the Board receive and file the information provided for reference and to establish an AdHoc Personnel Committee as needed to review the options provided and to make the necessary determinations on the process for replacing the Executive position as appropriate.

Background:

The General Manager's contract expires June 30, 2018. Upon request, staff provided the following to the PROC on January 23, 2018.

1. A proposal by DeLoach & Associates for professional recruitment services for the General Manager's position and scope of work is attached to this report. The reason staff chose DeLoach is because of the established relationships with surrounding water agencies.

DeLoach is currently providing recruitment services for Three Valleys Water District Assistant General Manager position.

2. The following are proposed options for the AdHoc Committee to consider for the new General Manager Position:
  - a. Utilize recruitment consultant in the hiring and interview process as provided by DeLoach & Associates or with another recruitment consultant as desired.
  - b. Ms. Teri Layton is the current Assistant General Manager and heir apparent and is very competent in the Administrative duties of the office as well as the field operations and would recommend her highly for the General Manager position. Teri and our Water Utility Superintendent bring over 50 years' experience with the Water Company. The Board may

February 20, 2018

consider Teri as the interim GM to observe how well she performs in that role. If the Board desires, the outgoing GM could provide contract transition assistance as needed.

- c. If Teri works out as the GM, consider recruiting an Assistant General Manager who can learn the operations of the Water Company and succeed Teri when she retires.
- d. Hire a new General Manager who may not have any knowledge on the operations of the Water Company and may have to rely on existing staff to get up to speed.
- e. Consider employee morale in determining options.

These options were presented to the PROC and not the AFC as a matter of time urgency and are presented to the Board to move forward with the process.

Previous Actions:

None.

Impact on the Budget:

Minor additional Administrative expense not budgeted.



January 19, 2018

Mr. Charles Moorrees, General Manager  
San Antonio Water Company  
139 N. Euclid Ave.  
Upland CA. 91786

**SUBJECT: PROPOSAL TO PROVIDE PROFESSIONAL RECRUITMENT  
SERVICES FOR THE GENERAL MANAGER POSITION OF THE SAN  
ANTONIO WATER COMPANY**

Dear Mr. Moorrees;

DELOACH & Associates, Inc. is pleased to submit our proposal for professional recruitment services for the General Manager position for the San Antonio Water Company (SAWCo). I have prepared a proposed Scope of Work and an estimated cost for the project based on recruitment projects of similar size and scope and can be modified to meet the SAWCo Board of Directors specific needs. If you have any questions or would like to meet with me to discuss my proposal in greater detail please feel free to contact me at your convenience.

Respectfully;

**Robert A. DeLoach**, President  
DELOACH & Associates, Inc.

Attachments: Recruitment Scope of Work and Fee Proposal



## PROFESSIONAL RECRUITMENT SCOPE OF WORK & FEE PROPOSAL

DELOACH & Associates, Inc. (Consultant) shall provide professional recruitment services for the General Manager position of the San Antonio Water Company (SAWCo). Services shall include but not limited to the following tasks:

### Scope of Work

1. Develop with the SAWCo Board of Directors the necessary skills, capabilities and experience necessary for the new General Manager position.
2. Coordinate the development of a notice inviting applicants ("Job Flyer") including a description of the critical job requirements in Task 1 above.
3. Review proposed compensation and benefits for the General Manager position.
4. Develop advertising and marketing materials for distribution.
  - a. Identify sources for placement of advertisement
  - b. Develop budget and timing of job notice placement
  - c. Responsible for placement and maintenance of notice for duration of this agreement or until position is filled
5. Coordinate receipt of resumes and related materials at location to be determined by Consultant and SAWCo.
6. Conduct initial screening and ranking of applicant's material submittal for specific qualifications and job match with SAWCo.
  - a. Review initial screening and ranking of applicants with SAWCo Board of Directors or their designee.
  - b. Develop a 'short-list' of the most qualified candidates.
  - c. Conduct DiSC Leadership Performance Profile for qualified candidates.
7. Prepare supplemental questionnaire for final candidates.
8. Conduct initial interview with qualified candidates.
  - a. Verification of candidate information and work history.
9. Prepare questions for interview panel designated by the SAWCo Board of Directors.
10. Assist SAWCo with preparation of interview panel. Participate in the final interview of candidates as an observer
11. Conduct background investigation of final candidate. (Details of background investigation to be approved by SAWCo).
12. SAWCo authorization to offer employment (Subject to approval of Employment Agreement).

### Estimated Fee Proposal

1. Base fee not to exceed \$15,000 without prior approval of SAWCo.
2. Reimbursable expenses at cost.



CY2018 Budget Projects

PROJECTS IN PROGRESS	Capital	Expense	Total	YTD	Previous Year	Budget Placement	Start Date	End Date
<b>Edison Pond - New Sluice Gate Replacement</b> - Pomona is currently preparing engineered plans.	\$70,000		\$70,000	\$0		D&O	3/16/2016	Jul-18
<b>Holly Drive Reservoir - Site Improvements</b>	\$196,124		\$196,124		\$105,856	D&O	6/1/2018	Dec-18
TKE Engineering		\$0	\$0		\$105,856			
<b>Sub-Total =</b>	\$196,124	\$0	\$196,124	\$0	\$0			
<b>WFA Pipeline Connection</b> - Pending the WFA Board approval to construct the physical connection.	\$110,000		\$110,000	\$0		D&O	5/6/2016	Dec-17
Harper & Associates Engineering		\$0	\$0		\$52,851			
<b>Sub-Total =</b>	\$110,000	\$0	\$110,000	\$0	\$105,856			
<b>Basin 6 Desilting</b>	\$266,000	\$0	\$266,000		\$105,856	Carry-over Facilities	03/04/15	Oct-17
Pending County adoption of the Environmental Document			\$0		\$59,398			Rev. date 5-1-18
SWRCB currently reviewing the Waste Company's 401 application and has issued a Project Number. Pending are permits from DFW and ACE.			\$0		\$5,466	Facilities		
TKE Engineering - Project Management	\$6,300		\$6,300	\$0				
CHJ Geotechnical Evaluation					\$170,720			
<b>Sub-Total =</b>	\$266,000	\$0	\$266,000	\$0	\$328,759			
<b>Cucamonga Basin - Desilting project at crosswalls</b>	\$103,232		\$103,232		\$0	Carry-over Facilities	10/19/10	On-going
Altum Group - Environmental Document					\$89,330			
TKE - Project Mgmt. & Noise Monitoring			\$0		\$148,935			
Pending contractual arrangements with the GRB, SBCFCD permit & on-site pre-construction meeting.					\$90,494			
<b>Pending Army Corps Nationwide Permit.</b>								
Received RWQCB 401 & DFW Streambed Alteration Permit								
<b>Sub-Total =</b>	\$103,232	\$0	\$103,232	\$0				
<b>Water Rights Investigation- Activity</b>						Legal	06/10/10	On-going
USFS water rights to its special use permits					\$89,745		(Since 1910)	
SHIA - Snowcrest Heights Improvement Association /USFS					\$1,575			
Private land owners in SHIA - Pending resolution.					\$9,900			
Mt. Baldy HOA - Land exchange document.					\$765			
Met with the US Forest Service Monument Manager on August 23 to discuss information of diversions provided to the State. Closes session discussion.								
<b>Sub-Total =</b>		\$0	\$0	\$0	\$81,985			
<b>Office Relocation Feasibility Study</b>	\$176,000		\$176,000	\$7,000	\$25,000	Facility	07/23/15	7/1/2018
Property was appraised at \$1.7million. Staff to prepare plan options for receipt of funds without impacting the Company's IRS 85/15 ruling. Committee on hold until the City is in receipt of funds via application to SRF Funding which is anticipated by fall of CY2018. Project is on hold until the City has secured necessary funds.								
<b>Sub-Total =</b>	\$25,000		\$176,000	\$7,000				
<b>Well 31 Biological Treatment - End product cost not compatible with current rate structure</b>	\$4,200,000					Facility	09/13/16	HOLD
Pending DDW certification. Dismantling the plant is in process.								
<b>Sub-Total =</b>	\$675,356		\$745,356	\$0	\$634,315			
<b>Total =</b>				\$0				

PROJECTS IN PROGRESS		Capital	Expense	Total	YTD	Previous Year	Budget Placement	Start Date	End Date
Holly Drive Boosters Pending quote from KSM. Design booster enclosure.		\$290,000		\$290,000		\$0	D&O	6/1/2018	Dec-18
Sub-Total =		\$290,000	\$0	\$290,000	\$0	\$0			
SCADA Upgrade from Iconics to Clear Scada / Tesco - Pending Purchase Order		\$100,000		\$100,000		\$0	D&O	6/1/2018	Dec-18
Sub-Total =		\$100,000	\$0	\$100,000	\$0	\$0			
Forebay Surface Waterline - Pending design/Bid		\$180,000		\$180,000		\$0	D&O	6/1/2018	Dec-18
Sub-Total =		\$180,000	\$0	\$180,000	\$0	\$0			
CY2018 PROJECTS COMPLETED									
		Capital	Expense	Total	YTD	Previous Year	Budget Placement	Start Date	End Date